

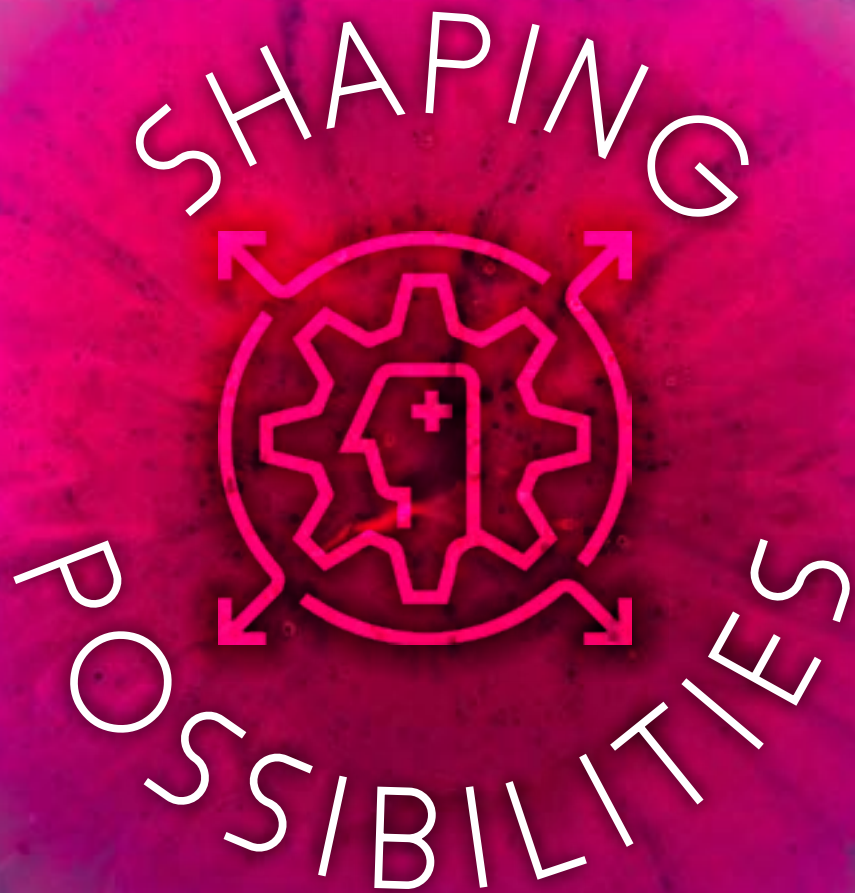
INFOCUS

Navigating a new normal

Entrepreneurship, post-pandemic

Shaping possibilities beyond the pandemic

Taking coffee full circle





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About IN FOCUS

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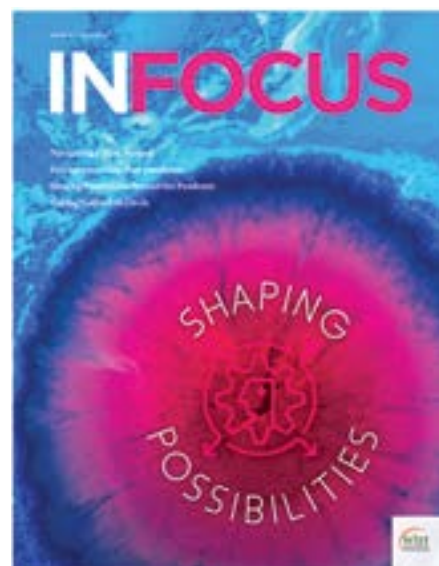
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ON THE COVER, ISSUE 6

Shaping Possibilities

Photo by Joel Filipe



Shaping Possibilities Within A New Norm



by **Tun Musa Hitam**
Chairman of WIEF Foundation

There are many things today that create endless possibilities, but only one thing curbs it. While in every decision you make and action you take, a possibility is shaped, inaction erases any chance of it. Especially during a pandemic in the twenty-first century that pushes businesses, as well as everyday life, into a digital realm and a new normal.

It's hard to imagine that 20 years ago, at the turn of the century, we were just weighing in on the exciting possibilities of the internet which was still on dial-up. It was when being on both internet as well as telephone at the same time, wasn't a possibility. You were either on the internet or the telephone.

Technology then wasn't so robust, as to run your day to day life as efficiently as it does today, leaving you the possibility of doing more with the time saved. Thus, heightening levels of productivity (as well as stress), raising expectations and forming endless possibilities.

The question here is, how are we navigating disruptions to affect outcomes that shape possibilities? The answer lies in our ability to manoeuvre intimidating changes and attitude towards uncertainties.

In an age of uncertainty, there is one constant in life – human resilience. It has seen us through many things including the past three industrial revolutions, and it shall see us through this fourth one too, as well as the current coronavirus crisis. In the midst of the many possibilities that 4IR creates, globalisation and equality are the big ones.

While sustainability and equality are turning out to be top agendas of many economies, both developed and developing, shaping possibilities is fundamental for the economy as much as sustainability is critical for survival. With only a decade left to reach the UN Sustainable Development Goals, all UN Member States that have adopted the 15-year plan must accelerate their efforts to, at the very least, slow down negative environmental impact. Or else, environmental disasters we are already facing will worsen tenfold. And this, affirmed by experts, shall impact any possible positive results of the war against COVID-19.

But there are more than just environmental and technological disruptions with which we must contend. The global economy has been seriously hit by the current pandemic which started at the end of last decade. The virus that is stoking fear across the globe, is also shaking up an economy that is already delicate, at best. It is also testing the mettle of health care systems and trust in governmental decisions.

Despite all this, we must soldier on, be resilient, and keep shaping possibilities to ensure an enduring economy.

In this sixth issue of In Focus magazine, feature articles highlight examples of efforts skewed towards shaping possibilities for economic growth in varied industries through, mainly, technology. This is because technology is the best tool today, to rejuvenate a dispirited economy. There is so much convenience at the tip of our fingers and countless opportunities in the grasp of our hands. There is no excuse for passivity.

I hope the feature articles in this issue will trigger proactivity that will in turn, shape possibilities within a new norm, to achieve stability and a healthy economy. Remain stoic. Now is the time to get familiar with this chaotic reality.

On that note, I bid you a pleasurable read, and stay healthy. ■

COVID-19

Islamic Finance. Post-pandemic.

Here, *Masumi Hamahira* talks about Islamic finance, its way forward post-pandemic and how blockchain can be its key booster.

Most will agree that Islamic finance is the strategic key for Japan's national interest, even though there are less Muslim people there. But it's not only Japan, this applies to all non-Muslim countries as well. Why? For example, Japan has limited natural resources such as oil and gas, and this means it can't maintain current happy life without good relationships with mainly Muslim oil-rich countries. In Japanese tradition, when we respect counter parties, we're encouraged to follow their culture and best practices. Thus, adopting Islamic finance to maximise harmonisation with project partners and people of those countries, is a good idea.

Moving forward, the global markets are expected to remain resilient despite challenging socioeconomic conditions and the expected consequential impacts from the COVID-19 pandemic. Nevertheless, stimulus packages of various governments were mobilised to revive their respective economies. Infrastructural projects related to renewable energy are seen to be a future driver.

The Way Forward Post-pandemic: Sukuk, ESG and SSL

The appetite for such sustainable projects from global investors is huge and Japanese investors are no exception. Sukuk issuances based on such sustainable infrastructure projects are expected to be one of the preferred modes of funding in the near future. The foregoing breakthrough that enabled sukuk investment by Japanese investors is only one of the wider opportunities seen in the sukuk market.

The door is finally open particularly for Japanese investors in this area by clarification of tax treatment for sukuk investment in Japan. The recent pandemic should be looked into more responsibly by the market to ensure a more sustainable environment is being placed as a priority. Sukuk issuance based on such sustainable objectives to address post-pandemic issues could be the way forward. The involvement of Japanese investors will be a new wave in the Islamic capital market in 2020.

Various sovereign bodies have incorporated and implemented strategic visions based on environmental, social and governance (ESG) objectives. We've seen several governments' pension funds placing serious emphasis on this, resulting in ESG-based funding strategies. In Japan, ESG financing or funding, such as sustainability-linked loans (SSLs), is attracting a large part of the market. Similarly, Islamic SSLs are gradually gaining traction in the same market moving forward. Recent market sentiment seems to signal SSLs are gaining traction including from Japanese investors and institutions alike.

This development is expected to spur more of such interest in the global market that would paint the landscape for 2020. It's expected to further drive innovation of Islamic ESG financial offerings such as Islamic SSLs to cater to the initiatives of the UN Sustainable Development Goals. The participation of Japanese investors and financial institutions in this area is expected to be more notable in 2020 and beyond. Islamic Finance is growing up fast and it's keen on ESG as well as SDGs because they're in line with its principles.



Islamic Finance in a Digital World

It's true, Islamic fintech is in vogue. It's because this is the global direction toward which the industry is moving, and it's moving fast to incorporate technology such as blockchain and green financing into their strategies. There have been recent developments in Islamic finance market where fintech companies establish Centres of Excellence in relation to AI innovation.

Through the optimisation of Islamic finance with blockchain and AI, customer satisfaction can be enhanced with higher quality service at lower costs. Also, the Islamic finance industry can make further progress in the financial inclusion by optimising micropayments technology under blockchain, for example. Blockchain can lead innovative disruption in Islamic finance.



A common agenda in Islamic finance is trading fee for commodity *murabahah* transactions. Many banks and customers would like to decrease this trading fee of commodity *murabahah* transaction because it is the additional cost compared to conventional finance. Commodity exchange can introduce a commodity token, which is a digital certificate of commodity on blockchain.

Therefore, Islamic finance can further reduce administrative cost such as trading fee with application of Atomic Swap. With it, Islamic banks and customers can exchange Central Bank Digital Currency (CBDC) and commodity token at the same time on blockchain without counterparty risk and complicated operation. It's because there's no reliance on trusted third party on blockchain in the future.

Blockchain helps commodity *murabahah* transactions to be shariah compliant more efficiently. An example would be Islamic banks can't sell a commodity before owning it to comply to shariah. Therefore, they need to organise and record the sequence of the commodity transaction which currently is a manual process. In this matter, blockchain helps with its timestamp function and review process as well, because distributed ledger under blockchain is immutable and traceable.

Still, there are some challenges in the application of such technologies in Islamic finance but they may be overcome through collaboration between the Islamic finance and blockchain sectors. Also, there's a need for a global standard protocol for blockchain so most people can benefit from blockchain, regardless of where they are.

Best Practice During, and After, a Pandemic

I'd say the best way to better how the world is now, is for both Islamic finance and blockchain industries to work together to come up with beneficial results. The collaborations between the two industries can be the bridge towards a sustainable economy across the globe. ■



About the Author

Masumi Hamahira is a Japanese living in Kuala Lumpur, who focuses on Islamic finance and blockchain, and has two decades of experience in banking and finance. He's the Honorary Treasurer, Grand Council of the Chartered Institute of Islamic Finance Professionals (CIIF). He recently received Global Top 50 Leadership Award 2020 Islamica 500 in Islamic Economy and has been invited as a speaker for global conference of Islamic finance and blockchain in the United States, United Kingdom and Asia.

2020 has been nothing short of eventful. The enthusiasm of welcoming the much-awaited new decade of the 21st century was prematurely suspended by the global call for a lockdown to contain a fast-spreading virus that marked the deadliest pandemic of the century, so far.

Major events that were anticipated in 2020, are now postponed. They include the Summer Olympics that was to introduce five new sports at the Tokyo Games and Expo 2020 in Dubai.

In 2020, COVID-19 has upended life as we know it and thrust upon us a new normal. And thus, began the great debate of what does the new normal entail?



OPINION: NAVIGATING A NEW NORMAL

by *Su Aziz*

Breaking it down, the new normal means the absence of most of what we're used to, as well as the shifting of priorities that now focuses on community, interdependence and solidarity. These are priorities that point toward carbon-neutral, equality, inclusivity and sustainability.

Dotting the world map are countries surfacing for air after months of lockdown, rolling out economic policies that need to stimulate a sluggish economy due to the COVID-19 pandemic and drive long-awaited solutions for environmental issues. Months-long lockdown all over the world, has shown us how the natural world, as well as the environment, thrive from the abeyance of human enterprise and activities, significantly lowering carbon emissions. The pandemic has proven that it's no longer enough just paying lip service dressed in half-baked attempts. It's time for result-oriented actions.

Lockdown was looked upon as a harsh strategy that worked for almost all communities in not only flattening the COVID-19 curve, but also in resulting a healthier environment seen through cleaner air, bluer skies, clear waters and thriving wildlife, to name a few. For the environment to remain 'healthy' even when the lifting of lockdown everywhere takes effect, truly depends as much on governmental actions, as it does on individuals.

Green solutions woven into economic stimulus packages and policies are noble actions by governments, as pointed out in the accompanying infographic. But change begins with you, and the sentiment rings true now more than ever. The period of COVID-19 quarantine exercised globally, had forced most people to live in moderation at every level including food consumption, physical contact and freedom of movement. This has been a 180-degree turn from privileges most take for granted.

During the lockdown months, many countries started looking inwards for local produce and products since most international trade was paused. In fact, the unthinkable happened – globalisation halted. It paralysed heavily trade-reliant economies, badly impacted businesses which in turn increased unemployment rates by, for example, 26 per cent in India and almost 15 per cent in the United States. Especially for businesses, it was survival of the fittest and a period of weeding out feeble business models that couldn't withstand rough economic climate.

Bouncing back, many countries have incentivised entrepreneurial efforts in their economic stimulus package. Highlighting the role of entrepreneurs and enterprises as pillars of today's economic growth and stimulation.

In a nutshell, the new normal enhances the urgent need to address climate change, to encourage entrepreneurial efforts as economic stimulants as well as employment assurance, and to live mindfully. Change is never easy. Now, more than ever, we need each other to navigate a new normal. ■

KOREA

GREEN: Implementing Green New Deal in post-pandemic period to create jobs and reduce carbon emissions.
(source: *The Korea Times*)

ECONOMY: USD62 billion New Deal in post-pandemic promoting 5G, AI and start-ups focusing on green tech.
(source: *Bloomberg*)

JAPAN

TECH: JR-East will use technology to open 100 unmanned convenience stores and walk-through train ticket gates.
(source: *The Japan Times*)

INDIA

TRADE: Focusing on gaining global market share and fill the gap in terms of countries looking to diversify suppliers.
(source: *The Economic Times*)

DENMARK

ECONOMY: Allocating 13 per cent of GDP to, among others, compensate employees' salary to avoid mass layoffs.
(source: *The Atlantic*)

COSTA RICA

GREEN: Aims zero-carbon by 2050 through legislation that includes municipalities to build cycle lanes into new motorways.
(source: *BBC*)

CANADA

BUSINESS: Businesses applying government loans must publish Annual Climate Disclosure Reports.
(source: *Forbes*)

QATAR

TRAVEL: Qatar Airways plans to raise its 32-destination list to 78 by end June 2020.
(source: *Forbes*)

MALAYSIA

TECH: Fourth round of its large-scale solar programme will unlock USD927 million investment and 12,000 new jobs.
(source: *PV Tech*)

SINGAPORE

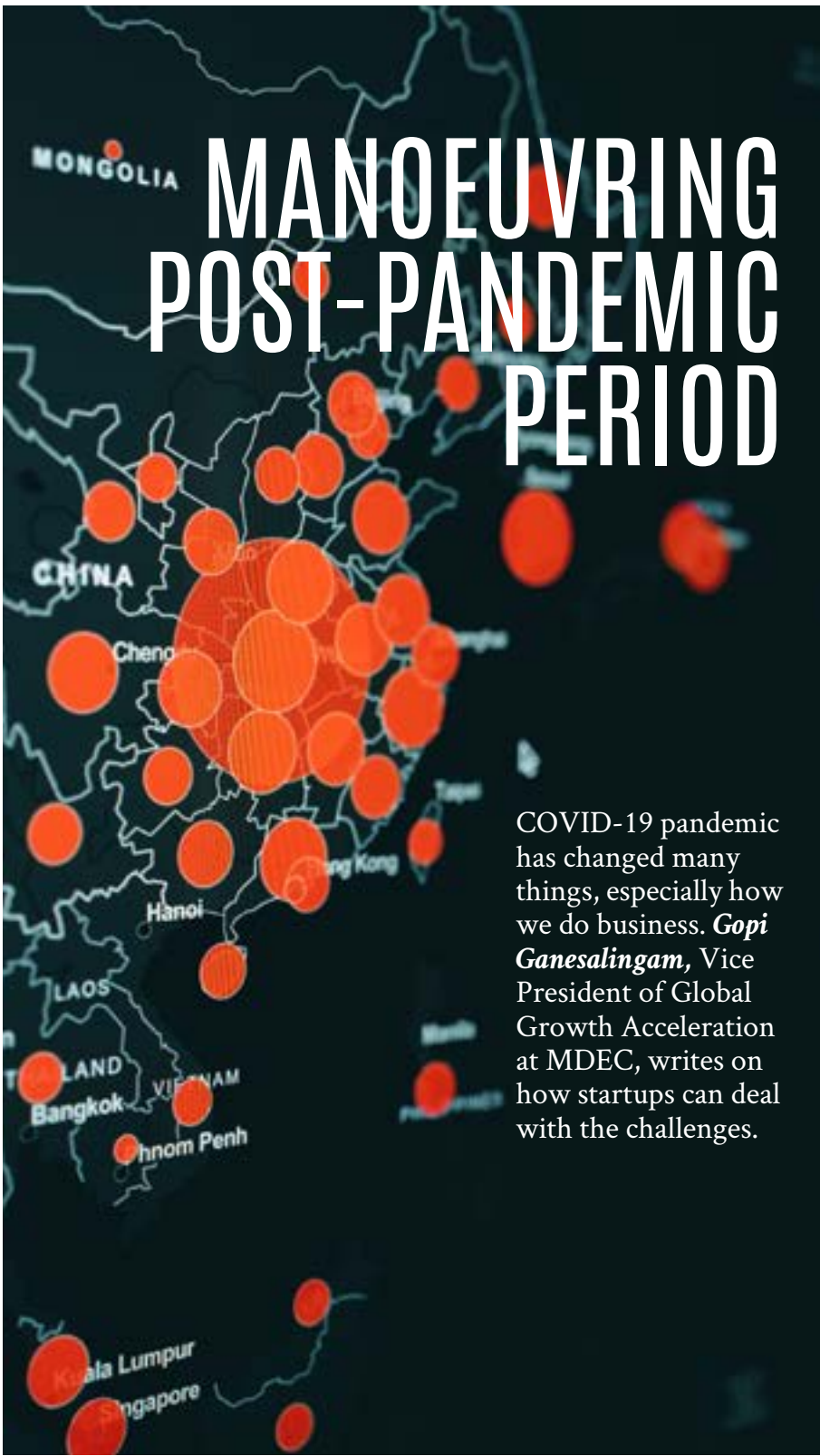
TRAVEL: Fast lane arrangement with several Chinese cities to facilitate essential business travel.
(source: *China Global Television Network*)

NEW ZEALAND

ECONOMY: Its post-pandemic budget of USD30 billion includes creating 11,000 environmental jobs.
(source: *AP News*)

SHAPING POSSIBILITIES BEYOND THE PANDEMIC

Here, **Su Aziz** takes a look at a few samples of governmental initiatives shaping possibilities during the COVID-19 pandemic and how they could change an economy, as well as fate of businesses having to deal with dissipating sales and vanishing profits.



COVID-19 pandemic has changed many things, especially how we do business. **Gopi Ganesalingam**, Vice President of Global Growth Acceleration at MDEC, writes on how startups can deal with the challenges.

SMEs have always been important contributors for any nation's economy. However, if there's one thing we've learnt during this COVID-19 pandemic, and recent lockdown that happened globally, is that things can suddenly change and SMEs need to quickly adapt to change. This is especially so for the shift to digital platforms. Lockdowns and restricted movements imposed by governments around the world have given a huge tailwind for digital transformation, and to customer experiences, showing that SMEs must move on to digital platforms.

As digital platforms have no boundaries, the door to global trade will be opened to many of them and the world can be their potential market. This is especially so when the shift to digital platforms comes with a connected supply chain ecosystem to support global outreach. That being said, SMEs will also need to relook at which stage of growth and customer acquisition they are at, especially now during the crisis of the COVID-19 pandemic. Digitalisation opens opportunities and access to customers locally and regionally that might suffice for some, but for others it might still not be enough, which is when accessing global markets will be critical.

Beneficial Policies

With the recent PENJANA Economic Recovery Plan announced by the Malaysian government, there has been quite a number of items that'll benefit SMEs and startups. The highlights include tax incentives such as tax deductions on renovations, work from home implementation for employees, COVID-19 related expenses and even increased Accelerated Capital Allowance on machinery and ICT equipment. SMEs and startups can also benefit indirectly from tax breaks given to landlords as this will see them getting reduction in rentals.

Access to low interest loans has also been a focus with the PENJANA SME financing and PENJANA microfinancing – both with low interest rates of 3.5 per cent. With the former, the banking sector will offer an additional RM2 billion to SMEs impacted by COVID-19 with a maximum loan size of RM500,000 per SME, while the latter is a dedicated RM400 million fund to help micro SMEs, capped at RM50,000 per enterprise. Furthermore, with employee cost as a major factor for many businesses, an extension on the wage subsidy programme to another three months will also be of help to them.

At MDEC, we've also done our part in helping businesses weather through the pandemic from digitalisation assistance, upskilling, supply and demand services matching and funding facilitation.

Social Entrepreneurship

The Malaysian government has always had an eye on growing social enterprises and tapping into their potential in the country, particularly via Malaysian Global Innovation and Creativity Centre (MaGIC). In fact, just recently in January 2020, the Malaysian Ministry of Entrepreneurial Development, via MaGIC, announced the social enterprise accreditation for 22 social enterprises. This sort of recognition is important, as it gives social enterprises benchmarks, clarity and most importantly, credibility. Credibility is important as it shows that these enterprises have succeeded in adopting sustainable models and it'll open doors for funding, attracting talent and customers. What's more, due to the guidelines provided by the accreditation, social enterprises gain trust that procures funding to survive the post-pandemic period.



Gopi Ganesalingam

Three Steps to Manoeuvre Post-pandemic Economy

1 | Pivot. The pandemic has brought about crisis to businesses, but it also brings opportunities. Startups and SMEs will now need to relook at their businesses and business models and to pivot if they need to. What worked before the pandemic may likely not work during post-pandemic. Startups and SMEs will need to think very hard on how they can adapt their businesses to not only survive, but to eventually grow. Trim the fat, optimise operations, look at new or potential revenue streams. That will help startups and SMEs weather these challenging times.

2 | Digitalise and automate. It's safe to say that MDEC is the key agency that has been driving businesses to digitalise. With initiatives like Digital Transformation Program (DTAP) and SME Business Digitalisation Grant, it has been actively encouraging Malaysian businesses to digitalise to ensure that they are futureproof. This is needed now even more than ever considering that human contact has been restricted. On the customer engagement front, digital platforms will allow startups and SMEs to reach out to their customers easily, without relying on face to face contact.

Digitalising and automating businesses can also help in cost management. Certain processes and tasks that once required manual labour can now be streamlined and optimised, allowing human resources to be deployed more efficiently elsewhere and reduce manpower that'll eventually reduce cost to a certain extent.

3 | Seek help. There's no harm in seeking help when it's needed especially when the sustainability of your business is at stake. There are many avenues that can be found such as those by the Malaysian government and grants that can be applied such as MDEC's SME Business Digitalisation Grant. Outside help via funding options include direct venture capital funding, crowd funding and if you really don't want to lose equity, P2P lending. Also, third party opinion can be a big help. Finding a good mentor during this period, especially experienced ones that have weathered previous crisis, can help in ways that sometimes an injection of funds can't. Insightful advice of a mentor through their experience, from optimising business processes and how to pivot, is valuable. ■

Any social media interaction towards the end of 2019 would have undoubtedly brought you into contact with the #10YearChallenge. The premise? A comparison between your 2009 and present-day self to show a decade-fueled change. Retracing steps from where you were 10 years ago to now, offers a retrospective that can inform how you'd like things to unfold over the next decade and what action is needed to get there. Should you not like what hindsight has shown you, adapt and move forward to a picture you prefer – turning the picture around seemed possible. The global reality suggests a disparate picture at best, with, right now, an uncertain future view.

A Tough Start to 2020

Since mid-2019, Pakistan experienced an extreme locust infestation that led into 2020. Farmers are still struggling with crops being decimated and fearful of starvation, while economists forecast a major drop in the country's growth. The same infestation is affecting Ethiopia, Kenya, Eritrea, Djibouti and Somalia affecting food security.

Since January, heavy rainstorms in the Southeast of Brazil have caused widespread flooding and landslides associated with Subtropical Storm Kurumí. Widespread damage has been caused in Minas Gerais, Espírito Santo and Rio de Janeiro. People have been killed and others evacuated from their homes. Clean up operations have been marred by ongoing flooding.

A series of earthquakes along the border of Iran and Turkey started in February measuring 5.7 in magnitude. The region has a history of destruction caused by powerful earthquakes that have taken their toll.

Australian fires dominated news for a number of weeks, while California was subject to the same disaster. Temperatures reaching record highs and drought conditions brought about raging bushfires and seemingly endless destruction. In California, fires extended well over 100 acres. Devastating all living creatures and the environment.



Economic Challenges and Possibilities

The new decade has been marked by change, and not all for the better. We've been flung into crisis mode and focus on how to shape a future in the midst of an incessant disruptor.

Reyana Nacerodien reports.

inflation
depression
earnings
debt
security
costs
mortgage
rates



2020 Economics

While disasters of any kind, including these natural disasters, undoubtedly have an economic impact, more and more, they are becoming key markers for the global economic position. The economic experience is no longer detracted from that of the environment. Gita Gopinath, chief economist of the International Monetary Fund, affirmed in an interview, 'The issues of the climate that were previously thought of as being way out there and not something within the horizon of the fund is clearly not the case anymore. We're seeing far more natural disasters. We have financial institutions that could be very susceptible to these kinds of risks. So, we think of those being closely related.'

Beyond environmental challenges, at present, countries are still trying to deal with the impact of the Coronavirus, or COVID-19, as the global spread continues and the death toll mounts. The COVID-19 crisis has sparked a deep global recession.

Similarly, the speed with which the COVID-19 pandemic has evolved has necessitated another round of huge cuts to, American credit rating agency, Fitch Ratings' global GDP forecasts. Fitch's *Global Economic Outlook – Crisis Update: April 2020* notes, 'We now expect world economic activity to decline by 1.9 per cent in 2020 with US GDP down by 3.3 per cent, the Eurozone down by 4.2 per cent and the UK down by 3.9 per cent. China's recovery from the disruption in quarter 1 of 2020 will be sharply curtailed by the global recession and annual growth will be below two per cent. There are many moving parts but in broad terms we now judge that lockdowns could reduce GDP across the EU and US by seven per cent to eight per cent (28 per cent – 30 per cent annualised) in quarter 2 of 2020. This is an unprecedented peacetime one-quarter fall in GDP and is similar to what we now estimate happened in China in quarter 1 of 2020'.

In agreement, Moody's rating agency has called the pandemic 'an economic tsunami'. The capitalist world is facing three intertwined crises – pandemic-induced health crisis, which has set off a financial-economic crisis, amid a climate crisis. According to Kristalina Georgieva, IMF managing director, the IMF anticipate the worst economic fallout since the Great Depression expecting that over 170 countries will experience negative per capita income growth this year. 'The bleak outlook applies to advanced and developing economies alike. This crisis knows no boundaries. Everybody hurts,' says Kristalina.



The Future View

Where will we be in six months, a year, 10 years from now? Uncertainty prevails.

Indeed, COVID-19 has changed the world. Committing all our attention to the overwhelming pressures of developments and occurrences over the last while and those presently still with us, however, should not be our sole fixation. We have to find the resilience to look ahead to the world, and, indeed, economy, that comes next.

Economists have forecast quite differently with some predicting a six percent shrinkage while others suggest 0.7 per cent growth. On the bright side, some analysts are forecasting a recovery as early as the third quarter of 2020. A variety of factors, such as government stimulus, consumer confidence, and the number of COVID-19 cases, will play into this timeline.

Fitch's economic outlook says, 'On the assumption that the health crisis is broadly contained by the second half of the year there should be a decent sequential recovery in growth as lockdowns are removed, some spending is re-profiled from 1H20, inventories are rebuilt and policy stimulus takes effect. But this has to be set against the many factors amplifying the depth of the dislocation, including job losses, capex (capital expenditure) cuts, commodity price shocks and the rout in financial markets. Our baseline doesn't see GDP reverting to its pre-virus levels until late 2021 in the US and Europe.'

Whatever the recovery, undoubtedly, things have changed.

'As this article is being written, the streets are quiet. Activity, economic or otherwise is being redefined by social distancing and remote working conditions. A rethink of supply chains, the nature of productivity and many aspects of the working world has been necessitated by the COVID-19 spread. Positive for some, but challenging for others, the pandemic has forced digital enablement and transformation on us all, even those who were reluctant to make the switch and those who wanted to but didn't quite know how.

Daniel Araya, in a *Forbes* article titled *The Revolution After the Crisis*, believes we are on the cusp of a digital renaissance that builds on technological trends that had begun before the pandemic.

'Even as COVID-19 consigns us to our homes,' he says, 'it's also reinforcing technological trends that began prior to the pandemic. It'll be a world in which society is rooted in the convergence of a renewable energy Internet (clean technologies and smart grids), a digitised mobility and logistics infrastructure (autonomous electric vehicles, AI, and IoT), and augmented human intelligence.'

With individuals unable to go about their usual offline activities, the appetite for digitisation for everything from online activities like online shopping – where that's still available during lockdowns – digital video conferencing and online banking has escalated. Also, COVID-19 could well expand the appetite for digital payment solutions as individuals embrace contactless transactions.



The Deutsche bank's macro strategist Marion Laboure has been tweeting about the coronavirus accelerating the use of digital currencies and causing this transformation. It's because 'hand-to-hand exchange of physical currency could transmit COVID-19, countries around the world are being forced to reconsider the use of cash'. While some outcomes can't be predicted, new processes such as new payment structure seem inevitable.

Management consulting company, McKinsey & Company says, 'A shock of this scale will create a discontinuous shift in the preferences and expectations of individuals as citizens, as employees, and as consumers. Clearly, the online world of contactless commerce could be bolstered in ways that reshape consumer behaviour forever.'

The capitalist world is facing three intertwined crises – pandemic-induced health crisis, which has set off a financial-economic crisis, amid a climate crisis.

Possibilities Exist

There are a few really positive things that could come out of this dark period for the economy. The benefit of hindsight, for example. Once we get a chance to look back, the crisis could prove to be a profound turning point for the world. Undoubtedly, a reprioritisation will happen suggesting a renewed chance for environmental, social and governance considerations to top the agendas of economic stakeholders, including consumers, companies and governments. An elevated consciousness is possible.

Already, people and businesses have adopted to a new normal, embracing digital even if they haven't before. In a post-pandemic world, applying digital solutions to solve business problems will become the new normal thereby facilitating even more possibilities for development and upliftment.

From the start, social media has thrived on campaigns, social tasks and challenges that have seen followers post their achievement of bizarre doings to participate in the currently trending movement. Often, it's hard to draw inferences or value from these activities: we'd challenge anyone to detail the lessons learnt from the famous ice-bucket challenge. Admittedly, that's not what such campaigns are designed for, though a 10-year view seems more telling.

With the #10YearChallenge, the challenge isn't really in posting pictures on social media. The challenge lies in harnessing the experience of the period under review.

'What started off as a casual way to emphasise ageing gracefully by celebrities has taken over the Internet and has highlighted a number of both positive and negative changes over the last 10 years. Alongside this, people have shared positive global changes as part of the viral movement. Cities, towns and other locations have highlighted positive developments such as developed infrastructure and growth. Statistics affirmed improvements in literacy rates, a decrease in child mortality and an increase in the use of sustainable sources of energy as well as the global average life expectancy to name a few.

Irrespective of the view held about social media events or campaigns like the #10YearChallenge, and even global events we experience, change over the long-term is, as the saying goes, inevitable. While the world of social media is dominated by immediacy, this challenge, above all others, offers some perspective. The #10YearChallenge global phenomenon does allude to the all-important journey that has led to here and now, revealing even more than face-value progress, but insight for the years ahead.

A lot can happen in a decade. ■



OPINION:

WHAT SHAPES ECONOMIC POSSIBILITIES?

A sophisticated, agile and sustainable policy plays a key role for the government in shaping a sustainable economy of a country. At national level, policy creates the right environment for investment and innovation, provides training, even re-training, for workers adapting in an environment gearing towards dominance by artificial intelligence, to the opening of opportunities in the digital economy.

At international level, the way goods are traded, the introduction of digital mode of payment, preparation for the digital surge in trade services, and renewed momentum in the fight against climate change. Combining the two is the key in shaping a new socio-economic system that provides opportunity for all. It is through this that Iskandar Malaysia Urban Observatory (IMUO) was created where information and data are collected, kept and analysed in a smart city environment.

It is a project that will help people, government and businesses to make better decision with the data and this contributes towards realising Iskandar Malaysia's vision to become a sustainable, inclusive and smart regional corridor through evidence-based spatial planning and policy making. ■

Datuk Ismail Ibrahim

CEO of Iskandar Regional Development Authority
(IRDA) Malaysia



Considered as one of the enablers of circular economy and a useful transition tool from linear to circular economy, technology would be the best investment any modern-day company can make. *Su Aziz* writes.

A Circular Take on Tech

Nowadays, everyone in a developed economy advocates reduce, reuse, recycle. And most in developing economies do, too. Waking up from the environment-destroying concept of take, make, dispose. In short, a majority of the world population are proponents of circular economy instead of the tired linear economy. Switching from linear to circular economy can be a comfortable transition with the help of useful tools. One of them being technology.

Growth of circular economy (CE), according to an article in Accenture, 'depends heavily on disruptive digital innovations, which is why many pioneering players either already have strong high-tech roots or are creating an ecosystem of partners with key technology capabilities.' This sentiment is echoed by a study, *Cities in the Circular Economy: The Role of Digital Technology*, from Ellen MacArthur Foundation. It states, 'Digital technology has enabled a fundamental shift in the way the economy functions, offering possibilities for radical virtualisation, de-materialisation and greater transparency on product use and material flows, all while creating new ways of operating and participating in the economy for producers and users.'

'Many of today's CE challenges are driving technological advancements as a means to close the loop and reuse resources. Although there are indeed many challenges to implementation such as motivating new consumption behaviours, redesigning supply chains and revamping regulation, governments and managers alike continue to build and leverage technology to support their CE initiatives,' states a study published in *Johnson Matthey Technology Review* in 2020, *Circular Economy: Recent Technology Management Considerations* by Hazen, Russo and Confente. In fact, it was discovered that the pairing of CE processes with relevant technological innovations can lead to 'transformation in favour of both the environment and economic growth'.

The same study by Hazen, Russo and Confente predicts that 'new technologies will play a prevalent role in CE development and help to shape fundamental strategies for organisations seeking to participate in CE. These technological advancements will not only help improve industrial processes and operations, but also help to integrate the critical role of the consumer'. It believes that two major categories of technological innovation will deal with the multidisciplinary problem of plastic manufacturing as well as recycling, and the employment of big data analytics.

Evidently, as reports published by Ellen MacArthur Foundation states, the circular economy model, enriched with the synergies of technology is a powerful and potentially highly productive combination. In fact, a 2015 study conducted by the Ellen MacArthur Foundation on the circular economy potential in Europe suggested that a large part of economic opportunity is directly linked to advances in digital technology. The study states that these advances 'in the form for example of tracking systems and mobile apps, whether as a key driver or a convenience factor, allow for a considerable jump in asset utilisation rates as well as material flow optimisation, the benefits of which add up to EUR900 billion annually by 2050'.

Hopefully, those numbers will shift an opinion in a 2019 article by *Computer World*, 'One of the key adoption challenges is that for the circular economy to have a significant impact, it's not enough for just one or two companies to change how they manufacture one product. Every organisation that forms our infrastructure and economy needs to embrace this new way of doing business – a mammoth task that is looking increasingly out of reach.' Just keep reminding ourselves that catalysts of circular economy could very well be technological solutions. This, according to the Ellen MacArthur Foundation is very possibly the best investment that technology companies in this current time can make



Enabling Tech Activities of Circular Economy

A collaborative paper between Ellen MacArthur Foundation and Google, *Cities in the Circular Economy: The Role of Digital Technology* by Sukhdev, Vol, Brandt and Yeoman, explores how certain aspects of digital technology can create an urban system that restores and regenerates. The paper states that the following technologies have been identified as enablers of circular economy activity in cities:

Asset tagging

Asset tagging technologies can provide information such as the condition and availability of products, components, or materials. In turn, this information can help extend the use of an asset, increase its utilization, loop or cascade it through additional use cycles, and also help regenerate natural capital. For example, prolonging the life cycle of a car by monitoring its usage patterns and condition through sensors can trigger alerts about problems as they appear, to allow for an easy and quick fix.

Geo-spatial information

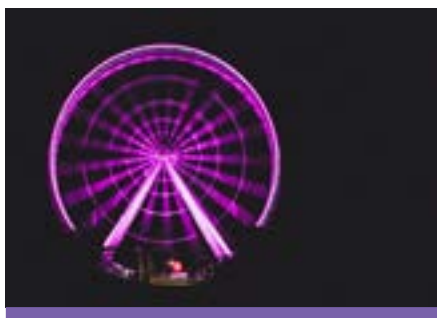
When combined with asset tagging, geo-spatial information can provide visibility on the flow of materials, components, products and people across the city including patterns of optimal mobility routes, energy demand peaks and valleys, congestion, and waste generation. For example, the ability to visualise traffic and pollution information on base maps, layered with valuable insights from other sources such as census data, material information data, allows experts to predict and plan targeted strategies to address issues of congestion and pollution, but also allows citizens to understand and learn what that data shows in a format that is accessible and understandable.

Big data management

Current computation capability allows us to overlay general patterns of human behaviour on top of aggregated information received from asset tracking and geo-spatial mapping activities. For example, predicting energy consumption patterns at a local level, suggesting transport options that avoid peak hour traffic flows in real-time. Leveraging advanced processing capacities, computers now can perform complex and agile analyses that will help to determine and deploy the most effective resource solutions at an unprecedented speed and quality.

Connectivity

The widespread and easy access to smartphone and application technology allows for increased connection between people, and between people and products leveraging asset tracking capabilities. This enables circular business models such as leasing and sharing platforms, reverse logistics, take-back systems, and distributed remanufacturing. For example, business models such as Uber, Airbnb or BlaBlaCars would not be feasible without an accessible app that connects assets on offer with those who would like to use them. ■



Five Key Digital Technologies Enabling Circular Economy

by Accenture

Mobile Access

Ubiquitous mobile technology at increasingly affordable prices makes it an ideal enabler of circular economy. Mobile technology supports the circular economy through simplifying and improving the user experience by making remote interactions possible across customers, suppliers and goods themselves. Mobile apps combined with other digital technologies like machine-to-machine (M2M) connectivity and big data analytics can enable remote control, predictive maintenance, mobile payments and automated monitoring.

Machines

M2M approach lets a host of businesses manage their products remotely. It reduces risks associated with selling offerings that come with a performance guarantee, supporting the product as a service business model. Experience suggests that M2M connectivity can cut overall service and maintenance costs by as much as 30 per cent. Linking equipment, products, factories and supply chains using M2M solutions, allied with big data analytics, drive efficiency and productivity. 90 per cent of companies surveyed across eight industries said this combination of technologies was either their top priority or among their top three. It was estimated that these improvements could increase global GDP by as much as USD10 trillion to USD15 trillion over the next two decades.

Cloud

Cloud computing makes it easier to offer the customised products that customers want, driving resource savings. For instance, a media company realised that by publishing one of its newsletters online instead of printing it, it could save nearly 135 tons of paper a year, along with 3.7 million litres of water, almost 270 barrels of oil and more than 550,000 kilowatt-hours of electricity. Putting the newsletter online would also reduce the amount of industrial waste the company generates by almost 14,000 kilograms.

Social Media

Social media platforms are evolving into a fundamentally new approach to sharing, helping companies gauge customer sentiment quickly and cost-effectively by piggybacking on existing networks like Facebook. These new sharing platforms help firms build trust among consumers and enable users to make their own transactions as well as logistics arrangements without involving third parties. For example, it connects people who need a car for short periods with vehicle owners who don't use their cars all the time.

Big Data

Manufacturers can use advanced analytics to gain insights into product use patterns and customer requirements, enabling them to bundle physical products with attractive add-on services. Creating models that predict consumer behaviour based on historical data can allow firms to optimise product maintenance schedules, reducing cost, labour and resource requirements. For example, a firm combining big data analytics with LEDs, networking and software can reduce customer lighting-related energy use by up to 90 per cent – through analysing behaviour and requirements of building occupants, providing optimal service as well as extending lighting lifecycles by activating systems only when required. While traditional analytics can handle most buildings, airports and other large public facilities with multiple users require increased quantitative power offered by big data analytics.



A New Wave of Soft Power

In a world where wielding economic power alone no longer works, soft power takes over. Soft power has been equally responsible for the success of strong economies as hard power. However, it is evolving. *Su Aziz* analyses its development.

Soft power, in a nutshell, is making people want the outcomes you want, in a non-coercive and persuasive way. The term 'soft power' was coined by 83-year old Joseph Nye, an American political scientist and author of *Bound to Lead: The Changing Nature of American Power*. In the late 1980s, Joseph introduced the concept and pioneered the theory of 'soft power', in contrast of 'hard power' which uses coercion and payment. According to Joseph, 'Soft power resources are the assets that produce attraction which often leads to acquiescence' and soft power of a country is based on three resources: culture, political values and foreign policies that are both legitimate and possess moral authority.

What to bear in mind is, as Joseph argued, 'soft power is more than influence and persuasion or the ability to move people by argument, though that's an important part of it. It's also the ability to attract, and attraction often leads to acquiescence.' It has been reported how 'popular culture and mass media are regularly identified as a source of soft power'. This is never more so than today. Before, America held soft power in its tightly closed fist with its wide diplomatic network and arts such as films as well as music that contributed to the Americanisation of many cultures.

As did Europe, led by France in 2019 according to Soft Power 30 ranking, with their literature, design, arts and food. However, today, the soft power shift to the eastern hemisphere is apparent in the likes of Japan, China and South Korea. Especially South Korea. Never has a nation disseminate its culture and language so effectively in such a short time as South Korea has done in the last decades. Thus, motivating the global community to acculturate.

Unless you've been living under a rock, and without wifi connection, you simply can't evade the global spread of South Korean soft power. An example of Hallyu or Korean wave phenomenon of cultural export, and 'people-to-people diplomacy', is BTS. The singing group of seven boys under 30 years old was formed in 2013. They've been winning hearts alongside multiple global awards ever since, with Guinness World Book of Record-breaking social media engagements in 2019. So much so, American toy company Mattel produced dolls of BTS members in 2019 and it was reported that the decision helped hiked the company share value by almost eight per cent. BTS is a significant contributor to both the economy and popularity of South Korea. In fact, Hyundai Research Institute reports, their impressive contribution into the South Korean economy annually is almost USD4 billion.

New Wave of Soft Power

For the longest time, media was fundamental in influencing viewers, readers or listeners, when it came to the reputation of faraway countries. Fast forward four decades later. With the advent of speedier generations of wifi, ultra-smart communication devices and mushrooming social media platforms, soft power today includes influencers – whose content on the social media platforms are considered to be better than propaganda.

Mainly through influencers, culture and more aspects of a country halfway around the globe, as well as a lifestyle, can be made incredibly popular. Examples include 29-year old Li Ziqi who garnered 32 million followers on Weibo and 8.3 million on YouTube with her posts on an idyllic life in rural Sichuan in China. And 27-year old Julius Roberts, with his 50,000 Instagram followers just in the past three years, who left London as well as job as a chef to run a small farm in East Anglia, England.

As we know, the power of numbers can't be ignored. Influencers such as Ziqi and Julius, have set a lifestyle trend of sustainability, slow food as well as a more rustic way of living. But they are only two examples of thousands of influencers out there affecting their followers in terms of what to buy, eat, see, do, how to live and who to believe. It is this power of numbers that businesses flock to exploit in terms of featuring their products or services in a post of an influencer. Thus, expanding their global reach exorbitantly.

This is what today's soft power looks like, made possible by innovative technology. Tech, according to *China Daily* in their 2019 article, is the new soft power. It has been reported how WeChat and Alipay in China include 'every conceivable service that can help make modern life easy. Forming social networks using e-tools has become integral to modern life and China's tech ecosystem perhaps performs this function better than any other, by bundling consumption-related conveniences'. Thus, 'fostering entrepreneurialism'. It's a long-term positive effect for the Chinese economy when locals and foreigners in China use Chinese apps as convenient tools and information, as well as networking, source for their everyday life.



Powering Up Businesses and Economies

According to a 2012 research paper, *Construction of Soft Power of Small and Medium-Sized Enterprises* by Li Hongyu, Liu Meiyue and Zhao Jiayi, while enterprise hard power is mainly referring to capital, scale, profit, the plant, equipment, production, business facilities and employees, 'enterprise soft power is to show the enterprise tenet, values, innovation mechanism, enterprise culture, behaviour standards, social responsibility consciousness which is condensing into social reputation, market credit and brand influence. A systematic enterprise soft power system is an organic mechanism collecting ideas, vision, mission, goals, environment, rules, cultivation and incentive, warning and supervision'.

With more and more pressure put upon the importance of business ethics, brand reputation is key and it is where soft power hits the hardest. An example, Dove by Unilever, according to a 2017 article in *Marketing*, led the gender politics debate with their 'Real Beauty' campaign in 2004. However, years later, a three-second GIF ad on Facebook damaged Dove's reputation. The ad was intended to reflect diversity through the image of a black woman removing her brown shirt to reveal a white woman in a light shirt. This was looked upon as 'a dirty black person cleansed into whiteness'.



The same Marketing article concludes that ‘even an outstanding reputation almost never comprises any unique characteristics that an organisation can own and be known for. We may love and recommend the local general store that makes its own soap, but there is still only one Dove. To shift [brands] from walking on eggshells to stampeding their values to the masses, measured amounts of bravery and ethics are required. Cultural coherence, however, is what can stop bravery from getting stupid or ethical preaching from becoming boring’.

In a 2004 paper by British Council, *Soft Power Today: Measuring the Influences and Effects*, it states that although it’s difficult to define soft power conceptually and validate empirically, there’s no doubt that it’s a fundamental influence in ‘international relations, global cultures and political economy’ that ‘encompasses the work of governments and non-governmental actors and citizens’. Furthermore, soft power overlaps but doesn’t cover similar scope of public and cultural diplomacy, as well as cultural relations.

Sitting at the top ranking of The Soft Power 30 in 2019, is France, a country seen as a reliable European leader, thanks to President Emmanuel Macron. Its extensive diplomatic network, culture, art, film, food, sport and tourism, certainly add to its appeal. ‘It is unrivalled in its memberships to multilateral and international organisations, and has the highest number of diplomatic cultural missions via its extensive Alliance Francaise network. President Macron has done well to put France’s diplomatic machinery to good use,’ states The Soft Power 30 overview.

Today, in the wake of globalisation, soft power transmitted online transcends boundaries and diplomacy. Proving what Joseph said is right – it’s more than just an instrument that governments use to mobilise culture as well as policies relatable, and attractive, to people from other countries. Soft power emanating from influencers on social media platforms, presents an equal opportunity for businesses of all sizes to advertise products as well as services, and facilitates a positive business credibility to global markets.

Besides influencers of social media, organising international forums and conferences too, are effective tools of soft power. For instance, rehashing a point in *The Soft Power Effect* article in BRICS business magazine, an investment forum is a terrific platform on which a country or organisation can attract foreign investments into any economy. Thus, ‘opening up new economic prospects’ while strengthening its positive reputation.

Whichever way soft power takes shape from here on, it will always be as Joseph puts it, ‘Soft power is not a form of idealism or liberalism. It is simply a form of power, one way of getting desired outcomes.’ Basically, you’d do well to remember that soft power relies on the ability to shape what consumers want. Yes, that’s it. ■

How to earn soft power for businesses

- 1 | Cultivate a favourable reputation to attract consumers, talent and investment.
- 2 | Build network and relationships.
- 3 | Have integrity, earn trust.
- 4 | Be familiar to consumers in terms of brand recognition.
- 5 | Be the authority of your product or service.





Adding 'Bio' and 'Political' to Marketing

Adding biological metrics to the socio-political landscape has signalled an evolution in the marketing arena. Enter biopolitical marketing. *Reyana Nacerodien* elaborates.

Have you visited your local gym in a bid to keep your health insurance premiums low? Has your smartphone congratulated you for steps achieved or achieving your personal best during a running session? Or has your Samsung smart watch told you that you've been inactive for too long and you need to get up, and stretch your legs? Here's where biopolitical marketing comes into play.

Though only few marketing gurus have written on the subject, it remains somewhat of an enigma despite its existing prevalence in the market. There are big brands such as Nike, Adidas and Discovery that have already cottoned on to the idea. Using the aptly termed 'nudge marketing', marketers pose suggested activities that are linked to some or other incentive for the consumer. In this way, there's some margin of influence on consumers' realities albeit incentivised. Beyond nudge marketing, customer data is being used in new and innovative ways than ever before and, by the same token, biological plus political type data allows marketers to capture value from different aspects of consumers' lives.

Where it All Began

Way back in the 1970s French philosopher and social theorist, Michel Foucault, proposed the idea of biopower referring to the mechanisms having control over bodies. His proposed theories mostly address the relationship between power and knowledge, and how these are used as a form of social control through societal institutions such as in the example of the government. In this example, law regulates people's movement and behaviour. Biopolitics looks at the mechanisms used to affect that control. The concept arises at the intersection between human biology and politics.

Biopolitics is a complicated concept that has been used and developed in social theory since Foucault. Somewhat cynically, it conveys strategies and mechanisms through which human life processes are managed by certain authorities. These ideas have found footing in modern marketing. While still needing exploration, some marketing scholars have conceptualised 'biopolitical marketing' in order to analyse how firms favour practices that make use of and influence the cultural, technological, social practices of their customers and the broader consumer base.

Where We are Now

Tactical marketing and media has lost its appeal over the past number of years. Consumer sentiment shows a reluctance towards outright advertising, distrust in corporate messaging and more reliance on consumer-generated commentary rather than brand speak. Landscape changes have forced marketing professionals to adapt. To promote brand awareness and loyalty, mechanisms and channels used by brands and, indeed, the ways in which they are used by brands and customers alike have needed to change.

In this reality, brands need to ensure a consistent voice and identity, actively engage the individual and any tactics used need to work hard to draw-in and keep customers' attention. For example, commonly these days, promotional activity rarely exists without some sort of online addition more often highlighted by a data-gathering exercise given the value of an opted-in, captive audience. Biopolitical marketing takes this even further. Some theorists suggest that marketing is in fact becoming more and more biopolitical in nature as constant links between social relations and forms of life are created. Hybrid realities of physical and digital spaces have fuelled these links and given rise to a different marketing opportunity.



Bronwyn Williams



Bronwyn Williams is a trend translator for Flux Trends, a South African based trend forecasting agency in Johannesburg. She has over a decade's experience in marketing management and trend research, and contributes to the identification and analysis of macro trends that influence social dynamics and business interactions that Flux is known for. Bronwyn explains that the benefits of biopolitical marketing are obvious. 'Like asking what are the benefits of marketing in general, the answer is simply that marketing aids in persuading a target market (consumer or electorate) to purchase a product or accept an idea. This is neither good nor bad as it depends entirely on what products, services and ideas are being promoted.'

Take the case of self-tracking. Self-tracking monitors and records human activities. Cell phones, smart watches and other fitness trackers manage to instantly capture data about people's lives and derive value from their bodies and bodily activities. Seldom do we stop to notice the marketing dynamics at work on us when we use apps or the like to monitor our fitness, but, essentially, in this way, human and social life can be capitalised, and even commodified.

Self-tracking has played a developmental role in the biopolitical marketing environment by capturing and appropriating value from different aspects of consumers' lives, such as their social and physical behaviour, as well as actions. Coupled with this, the reality is that much of what we find ourselves doing voluntarily is simply because of the 'incentives' that have been set up to encourage this and the value that has been created. These incentives cultivate habits, steer our reality and provide feedback channels to brands.

'These examples are worth watching due to the obvious and less obvious invasions of privacy and freedoms, and the erosion of trust between private citizens and authorities,' Bronwyn notes. 'There are a few examples above.'

The Nike Example

Nike offers an on-point example of using wearable technology as a means of capturing data about their customers. Nike facilitates and collects self-tracking data, or bio-data, from users' activities, entailing that physical performance is transformed into pure data using the Nike+ technology. The Nike+ sensor tracks time, distance, pace, calories burned and similar data as the user runs. This suggests that biopolitical marketing at Nike+ works through a series of interrelated intervention processes. These processes offer value to the consumer who, in exchange, volunteers tracking data.

The app provides access to the Nike+ rewards program, which offers exclusives and early access to new products. Nike also offers personalised workouts through the app, as well as priority access to its events.

A Fine Line: Data Enables

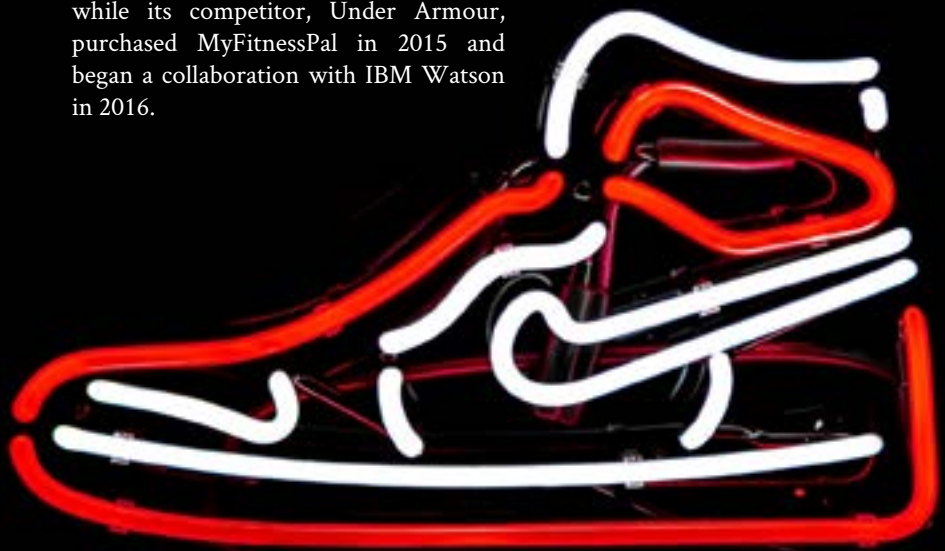
'Of course, some biopolitical ideas, such as human microchipping, health surveillance and bio data sharing are highly controversial,' says Bronwyn. The nature of biopolitics has brought some controversial market experiences to the fore. She cites a number of examples of interest. events.

But of course, Discovery Health and Discovery Bank are probably the biggest real life examples and glimpse of the future.' Discovery Health's main clients are large-, medium-, and small-sized employers for health insurance, as well as individual clients of health, life insurance and investment products.

Discovery's intellectual property is exported to other industries and markets including United Kingdom, United States, China, Singapore and Australia.

These analytical insights can be used to inform customer acquisition and retention plans. As more start-ups disrupt various apparel industries, Nike is defending their turf by investing in data science to better understand the customer journey and more brands are cottoning on to data science. Previously, Nike purchased data science company, Zodiac, while its competitor, Under Armour, purchased MyFitnessPal in 2015 and began a collaboration with IBM Watson in 2016.

This knowledge is used to move away from the traditional sales pitch by shifting the consumer's focus away from the physical product for sale. Instead attention is focused toward the consumer's aspirations offering the potential to facilitate those aspirations.



'With Discovery your health and wealth outcomes are linked not just to your behaviour, as nudge marketing already does through customer rewards and incentive programmes, but also to your DNA and your willingness to share your bio-data with authority figures,' says Bronwyn.

What's Next

'I envisage a world where refusing to share your DNA and bio data, both static and dynamic, could become a crime – even if this is a very dystopian possibility,' says Bronwyn. 'Imagine being denied not only access to insurance, but also access to state healthcare if you fail to meet the required numbers of "steps" per day. Or imagine being refused a marriage licence or being coerced into an abortion because of your "faulty" DNA – Iceland already strongly discourages the birth of down syndrome babies, for example.'

Marketing practices construct consumers' subjectivities and contribute to adding as well as capturing value from every aspect of consumers' lives. Through biopolitical marketing consumers' intellects, physical bodies, and their everyday lives, become a resource for marketing professionals that is set to steer them towards future possibilities. ■

> 23andMe is an organisation centred around DNA testing. The company facilitates customers finding out more about their ancestry or health through DNA testing. The service however states a specific user notification stating that, by law, the company needs to comply to a valid court order, subpoena or search warrant for genetic or personal information.

> Doctors sharing vaccination information or even smart drugs (drugs with microchip technology that advises if a patient has taken their medication as prescribed) with, for example, parole officers.

> At present, governments and cellular networks are sharing COVID-19 patient health and contact information with each other, and the public.



A Healthy Disruption

Access to health care is a global problem. Primarily, the stumbling block to much-needed care is the cost. Practices like the iHealth Clinic are changing the game and making sure their patients get what they need. *Reyana Nacerodien* writes.

Here's the lowdown on Dr Timothy Wong who started iHealth Clinic in Pittsburgh, Pennsylvania, in 2019. A board-certified family medicine physician, Dr Timothy specialises in primary care and utilising technology to improve patient health. He previously worked in Indiana as a family physician and director of quality in a group of 77 providers. His medical care incorporates the biopsychosocial model into everyday practice. His clinical interests include integrating technology and medicine, chronic care, and patient education.

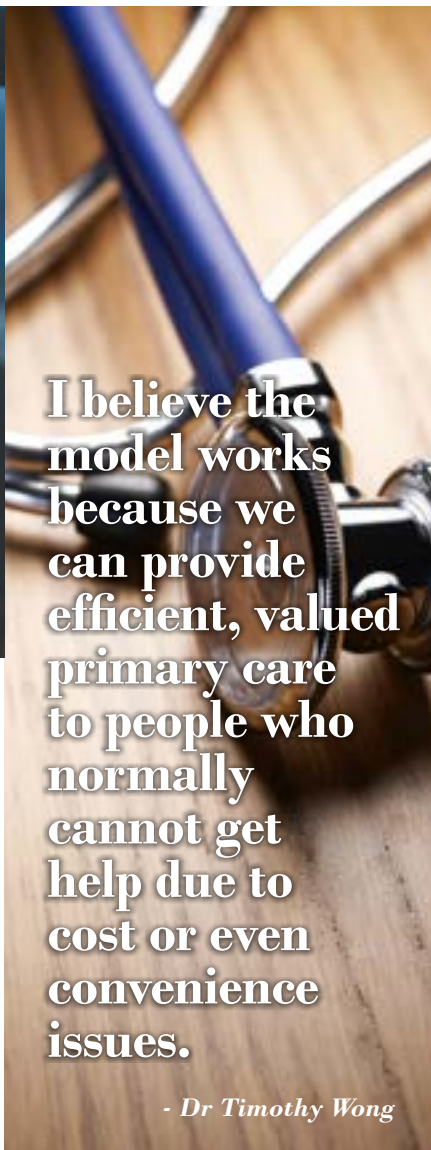
Known to his patients to be friendly and caring, and something of a god sent for those without health insurance, Dr Timothy has been a pioneer in a new way of delivering care called Direct Access Primary Care, which emphasises access to medical care at low cost. In fact, some thinks of his healthcare system as disruptive. Regardless, iHealth Clinic has grown steadily and is a proof of concept for an exciting model of care.

The clinic started with zero patients and in eight months have seen 1,700 unique individuals. Most visits are for acute issues. 'Many patients have come back again for new concerns or for chronic issues,' says Dr Timothy. 'I joked with a friend that we had 1,700 times growth since opening. To put that number in perspective, most direct primary care practices would limit their patient population to less than 800 and most traditional American primary care providers are estimated, in different studies, to have patient populations anywhere from 900 to 2,500 on average.'

Born and raised in Toronto, Canada, Dr Timothy tends to dabble in the latest gadgets, aquascaping, reading comics and spend time with his pet Chinchillas as well as his wife, when not seeing to patients. Also, he takes a few moments to answer some questions below.

Where did the idea for iHealth originate?

The inspiration for the iHealth Clinic model, which I've called Direct Access Primary Care, comes from many places when I think about it. I am Canadian and my wife is Filipino, so I have some experience on how healthcare can be different outside of the United States.



I believe the model works because we can provide efficient, valued primary care to people who normally cannot get help due to cost or even convenience issues.

- Dr Timothy Wong

I was fascinated by the micropractice model in medical school where the doctor is the only employee. The iHealth Clinic model is similar to direct primary care in the United States, where doctors don't take insurance but charge monthly membership fees. iHealth Clinic doesn't need to charge membership. Instead, it charges patients per visit as it merges direct primary care and cost-savings of a micropractice model. By utilising technology and understanding workflow, the model is quite functional and financially sustainable.

How did the move to your own practice using this model unfold?

I've been practicing for six years now, after three years of family medicine residency. I worked in a traditional setting as an employed physician for a small, rural hospital outside of Pittsburgh. I was constantly getting burnt out and losing sight of why I went into medicine. I think the major cause of this was working in an inefficient and sometimes absurd system.

Being a physician in the United States is difficult due to the unnecessary complexity and inefficiencies that get in the way of patient care. I realised that I was a small part of the problem because I was part of a failing system and decided to change the model of care I was providing. It was a difficult transition as I had many friends at my previous position and a stable salary. Luckily, my wife is very supportive and it was a great decision to pivot to this new model.

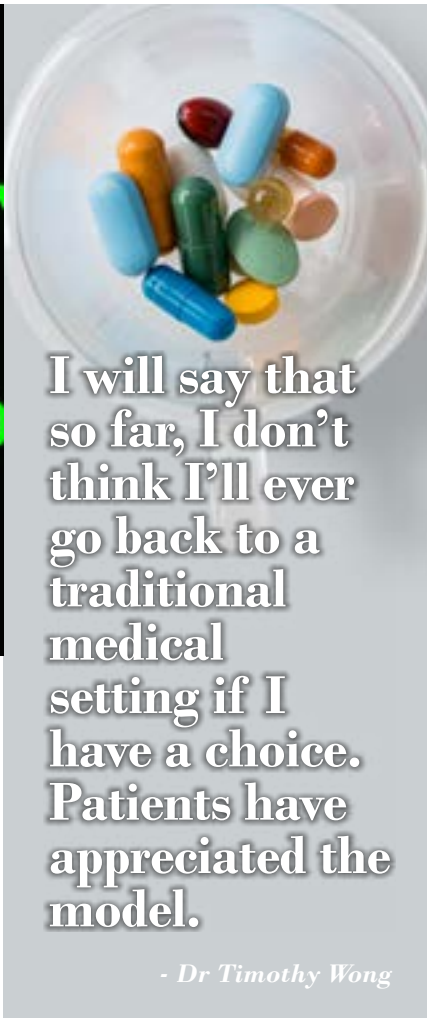
Some media coverage calls iHealth disruptive. What are your aims with this model of practice?

Since insurances are so ingrained in the American healthcare system, some would say that this model is disruptive. I think the model can be disruptive because it has the potential to change the present healthcare system in the US. By not working with insurances, the direct access primary care model is much more efficient and able to focus on patient care. I believe the model works because we can provide efficient, valued primary care to people who normally cannot get help due to cost or even convenience issues. The overall aim would be to show that this model works both financially and logistically, and have it replicated and improved upon by other healthcare providers across the country. I purposely didn't get any grants, donations or outside funding to prove that this model can work and can be replicated by others who want to try it.



Can you describe your average day?

We've now been open for about eight months and we see more patients daily each month. After media coverage, there's a pickup in patients and my busiest day involved seeing over 30 patients. Slow days recently are still about 17 patients. My hours are quite long because I want the clinic to grow quickly. I start at 8am on weekdays and see the last patient at 6:30pm. I also work on Saturday from 9am to about 3:30pm. When I'm not seeing patients, I'm answering phone calls and emails or cleaning the office and ordering supplies. If I have time, I work on our telemedicine app that will be released soon and work on the clinic website. There's still a lot to do, even if it's a slow day.



How do you manage being the sole employee of iHealth?

One principle behind direct access primary care is to be low cost. Hiring more staff is very expensive and patients would ultimately have to pay for the increased cost. Since I don't bill insurances, I don't need much staff. I've a digital self-check-in system, so I don't need a receptionist or medical assistant. Using technology efficiently, I can see a patient, create their chart, document most of the visit, get a history, perform a physical exam, get payment and discuss follow up instructions in about 15 minutes.



Any examples of cases where you felt you made a major difference?

I see many patients, for example, for depression and anxiety who don't have insurance. They haven't seen a physician for these issues due to the cost – each visit can be USD150 or more. My price of USD35 for most visits makes healthcare more accessible. I think it's awful that Americans are foregoing basic mental health treatment that affects their daily quality of life because our healthcare system is so expensive and inefficient. Many of these patients are hard-working individuals, some with multiple jobs, who don't think that getting help is worth the cost in the traditional setting. I've also seen many diabetics who also forgo care due to the expense. I had one patient with a blood glucose level of over 600 in the office. If I hadn't started him on medication, he'd have been in the Intensive Care Unit in a hospital in a few weeks with over USD10,000 in medical bills. I found some affordable medication for him and I last heard his sugars were now in the 200's – not perfect but still a large improvement.



What's next for you?

To roll out the model, I think I need to educate other physicians that this model of direct access primary care works well for patients and physicians. Later, I can assist others in adopting the model. I suspect it'll be more of a grassroots movement, much like how direct primary care was when it first started. Eventually with enough traction, I can help others decrease barriers to entering this model by providing technological solutions and training solutions to help. I think it'll take years for the model to spread as medicine changes slowly and it can be daunting to try something novel. I'll say that so far, I don't think I'll ever go back to a traditional medical setting if I've a choice. Patients have appreciated the model. One patient this week exclaimed, 'This is the best thing ever.'

I joked with a friend that we had 1,700 times growth since opening. To put that number in perspective, most direct primary care practices would limit their patient population to less than 800 and most traditional American primary care providers are estimated, in different studies, to have patient populations anywhere from 900 to 2,500 on average.

- Dr Timothy Wong



Do you see the model as able to be replicated and sustained in other locations?

To roll out the model, I think I need to educate other physicians that this model of direct access primary care works well for patients and physicians. Later, I can assist others in adopting the model. I suspect it'll be more of a grassroots movement, much like how direct primary care was when it first started. Eventually with enough traction, I can help others decrease barriers to entering this model by providing technological solutions and training solutions to help. I think it'll take years for the model to spread as medicine changes slowly and it can be daunting to try something novel. I'll say that so far, I don't think I'll ever go back to a traditional medical setting if I've a choice. Patients have appreciated the model. One patient this week exclaimed, 'This is the best thing ever.' ■

Weaving Change



The garment industry is a multibillion-dollar industry worldwide. The more than four-million garment workers in Bangladesh, in part, fuel this burgeoning business though never reap its rewards. Based in Dhaka, Apon Wellbeing Limited is trying to change that and, in so doing, create a better future for these factory workers and their families.

The industry

The readymade garments (RMG) sector is now the second largest exporter of apparel in the world and accounts for 85 per cent of Bangladesh's annual exports. With as many as 5,500 factories employing an estimated 4.2 million workers, of which an estimated 70 per cent to 80 per cent are women, the industry's prosperity fails to trickle down to the workforce. Bangladesh makes clothes that are exported around the world, but the garment workers are more often than not, poor.

This is where APON is making a difference. Factory workers are being given additional assistance and effective access to a range of services by the locally-based change maker. By essentially, bringing the market to the consumer group, APON is changing lives daily.



Saif Rashid

The Harsh Reality

Overpopulated locations with often squalid conditions promote a survival reality that is perpetuated from generation to generation. 'Unfortunately, the huge opportunities in the industry don't always translate into benefits for the wellbeing of the workers who are employed in this sector,' explains Saif Rashid, founder and managing director of APON Wellbeing Limited.

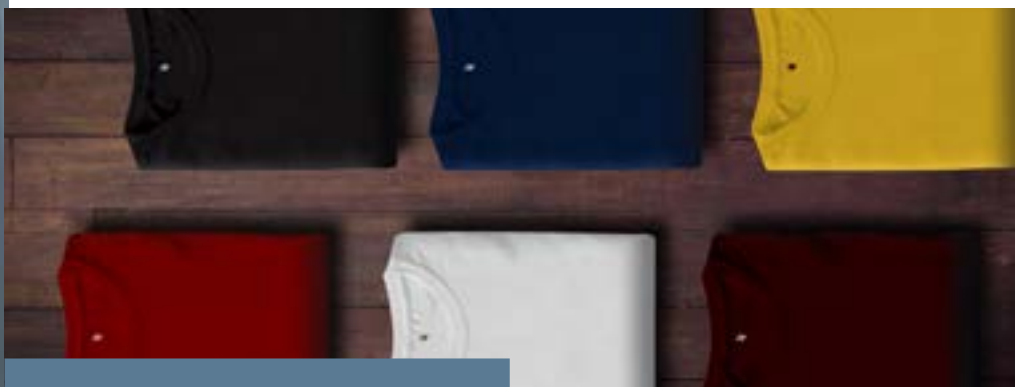


Bangladeshi factory workers generally earn USD75 per month working long hours in a crowded factory making clothes that'll cost more than they earn. **Reyana Nacerodien** chats with an organisation that's actively changing that.

The APON Idea

Illustrating the initiative's roots, Saif explains, 'The idea came to me in 2016. I was managing a large, women-based distribution network for daily necessities in Bangladesh. I managed partnerships with more than eight manufacturers of different daily commodities. Destitute women in rural Bangladesh would sell the products of these companies to earn a commission. I knew about the margins that these companies provided at different levels of their distribution system. On the other hand, due to my work with different social and private sector organisations, I was also exposed to the readymade garments sector as well as the challenges the workers face.'

The equitation to utilise the margin to benefit the large workforce, thus, came to Saif suddenly at the beginning of 2016. 'I left my organisation and started prototyping the idea. Soon I got accepted to the program called Fabric of Change by Ashoka and the C&A Foundation – a joint project where I was selected as a Globalizer Fellow that same year and I was granted some seed funding to launch the project,' says Saif. The seemingly simple idea that forms the basis of the APON model is affecting major change fuelled by Saif's vision. His personal aim is to ensure that the lives of two million workers in Bangladesh and Asia are transformed and improved. 'We believe that every worker that works fulltime shouldn't leave poor. Instead of the need to constantly increase the salaries, we came up with an innovative idea that is now APON,' Saif explains.



Many RMG workers labour for 12 or 13 hours daily just to earn enough to survive in Dhaka, the country's capital, where the cost of living is increasing rapidly.

'The minimum wage and the gap between the actual earning and living wage is huge. Compared to other countries like Nepal, India and Sri Lanka, Bangladesh has the lowest minimum wage,' XX-year old Saif adds.

The Model

APON has addressed the primary needs of workers and granted them efficient access to basic services.

Firstly, a national chain of affordable grocery stores has been setup inside factories in Bangladesh. Factory workers are given the opportunity to buy the daily food and hygiene items they need at between eight and 10 per cent less than what they can at other retailers. Through this mechanism, both time and money are saved and workers are able to walk away with more disposable income in their pockets. In addition, workers get access to free health insurance and other wellbeing benefits. Access to interest free credit, awareness initiatives, gifts and special offers are all an added bonus.

All of this is done through a sustainable and innovative business model that involves consumer goods companies, insurance company, banks, apparel factories, large brands, retailers and workers. 'Our business model is that we negotiate higher margins with the manufacturer and then provide 10 per cent to the workers. A portion of the discount goes to the insurance company as a premium and the remainder stays with us for our operation. To do this, we partner with different companies,' outlines Saif.

As a serial social entrepreneur, he created a scalable approach to support the RMG sector without relying on donations or grants in order to offer and sustain that support. 'With a high margin, we can have a well-being scheme for the workers, we can give a discount directly, which will increase their disposable income. And factories can get benefits because this scheme might help them in terms of reducing the turnover of the workers,' Saif explains.

The sole cost to a factory to participate in APON is the space needed for the shop. Demonstrating to factory owners that this small contribution will lead to a reduction in worker turnover will encourage more willingness to participate in the model. 'We don't need funding from the factory for the health of the workers, or funding from the buyer to finance their health, which is always a struggle to get,' Saif says. 'Now, workers can generate their own health finance.'

It might be buyers who, alongside enthusiastic workers, will help convince more factory owners to join APON. Brands have in recent years started their own insurance pilots, hoping that factories will take over once they've made an initial investment. Such efforts tend to be costly and often fall apart once the buyer pulls out. With APON, there's no cost to the buyer as the initiative is funded through commission from the sales of household items in the factory shops. The brands Saif works with, so far, express strong interest in his model.



APON Accolades

Some big names have already been convinced of APON's and, indeed, it's founder's transformation vision. In 2019 APON was named the Tommy Hilfiger Fashion Frontier Challenge winner alongside A Beautiful Mess, who offer creative spaces for refugees to help them achieve social and economic independence through creating sustainable clothing products.

The Fashion Frontier global programme, led by the iconic fashion mogul aims to support entrepreneurial start-ups and upscale businesses that are developing solutions that promote inclusive and positive change in fashion.

The challenge, only in its second edition, received more than 400 applications of which APON made the shortlist of six finalists who pitched their concepts to a jury panel including several social entrepreneur experts and global Hilfiger executives.

'From start to finish, I have been inspired by this talented group of social entrepreneurs whose innovations are making the fashion landscape more sustainable and inclusive,' said Tommy Hilfiger himself. APON was awarded 75,000 euros for creating market opportunities for Bangladeshi factory workers and facilitating their financial upliftment. Even before that, Saif's vision received commendation. He was elected as an Ashoka Fellow in 2015 and is part of the Fabric of Change. Ashoka and the C&A Foundation that partner on the initiative recognises APON for its potential to shape a more equitable global apparel value chain.

APON Aims

APON has, with the model, met its aims of developing a sustainable platform for workers' wellbeing in partnership with the factories they work in, consumer goods manufacturers that provide goods and different service providers. The APON team believe that there's more to do, aiming for irreversible system change.

Factories are starting to come on board too, with interested parties already on a waiting list. 'We're working on the logistics of scaling at the moment. If 1,000 workers finish their shift all at once, we can't serve them all in the shop so we're testing mail-orders. And some factories have 25,000 employees that require the service. But once we reach our target number of 1,000 workers in one factory, we will be able to replicate the model anywhere and be sustainable,' says Saif.



APON's impact and results between January 2018 and February 2020

Bangladesh and APON quick facts

- > Bangladesh has a population of over 165 million people and over 20 million reside in Dhaka.
- > Bangladesh is the 2nd largest textile exporter in the world employing 4.2 million workers out of 43 million in Asia. Between 50 – 80 per cent of manufacturing employment concentrates in Bangladesh, Cambodia and Pakistan.
- > APON aims to increase disposable income, free health services and free financing.
- > Each purchase from the shop earns a worker points that accumulate on their APON account. For every 100 Bangladeshi taka (about USD1.25) spent, the worker earns 1 APON point. With 200 points, the worker gains access to APON's zero-cash health coverage, allowing her to get free medical diagnoses and prescriptions from a doctor.

Long term, Saif says APON will need to reach about 20 per cent of Bangladesh's RMG labour force, or nearly one thousand factories, to be financially sustainable. Beyond medical coverage, he hopes to add other benefits to the wellbeing scheme, such as subsidised education for children and even family entertainment options. 'We have big ambitions for the future,' Saif adds. 'We'd like to expand to 100 outlets and serve 700,000 workers by 2022. At the same time, we want to expand to a few other countries in Asia and Africa. We also have plans to initiate new products and services such as credit and saving products, digital wallet options, etc. for the workers besides an advanced salary system. We are also launching our online platform solution later this year.' A decade from now, Saif and his team hope that the APON model will have become the norm in Bangladesh's garment factories —

a standard benefit through which workers realise a better life for themselves and their families. In so doing, they aim to affect women economic empowerment and strive for the wellbeing of factory workers in order to fuel benefits for their country as a whole. ■

BENEFITS FOR WORKERS VERSUS BENEFITS FOR FACTORY OWNERS

Benefits for workers

- > Easy access to necessities saving time and money
- > Discounted goods
- > Health insurance
- > Access to interest free credit, awareness initiatives, gifts and special offers are all an added bonus

VS

Benefits for factory owners

- > Reducing staff turnover and stemming illness
- > Zero cost
- > Compliance with national law which requires employee insurance (something international buyers increasingly demand)



TAKING COFFEE FULL CIRCLE



Kafeeform, a German company making coffee cups from recycled coffee grounds, sets the example of sustainability and how coffee comes a full circle. In fact, its holistic undertaking sets a precedent for green businesses. **Reyana Nacerodien** writes.

Many would say that there are few things that compare to taking time out to enjoy a good cup of coffee. The pastime allows you to sit, savour and scrutinise all manner of thoughts. Kaffeeform founder, Julian Lechner, did just that and turned his coffee musings into an award-winning, green business in Berlin. Arguably the most popular drink in the world, coffee is not without its downside – waste. Global consumption is steadily rising, meaning that the coffee grounds, the remainders, are too. This thought plagued coffee-loving Julian with every cup he drank. He started to wonder: What happens to all the waste, the used coffee grounds? Can't there be a way to further use this alleged waste, this resource?

BREWING IT UP

With his background in interdisciplinary product design studies completed in Bozen, Italy, Julian started to experiment. After three years of experimentation, and a vast number of cups of coffee consumed, he had discovered the unique formula to produce a new material. Recycled coffee grounds, renewable raw materials and other plant-based materials were transformed into the durable, robust material, Kaffeeform. It's this material that now drives the thriving business by the same name.

Similar to many start-ups, Kaffeeform started with Julian all on his own. 'It started more or less as a one-person company in my flat,' he explains. From there it spread through word-of-mouth. 'When the news about my invention and the underlying idea got out the interest of the public was huge, and did not stop,' he adds. From humble beginnings back in 2015, the business has grown very well. 'Great press coverage did help to sell the first cups through our own online webshop. And then retailers and coffee shops came to us and wanted to use and re-sell our cups. So, there was a steady increase,' Anika Paulus who now manages communications for Kaffeeform, affirms.

SAVOURING THE AROMA

It's been an upward trajectory from there on while remaining true to the key fundamental of sustainability. 'When we introduced the reusable Weducer Cup in 2018 it gave the business another huge lift. The product combined good design with the need for sustainable products, it speaks of zeitgeist, and was a game changer really,' Anika explains. Products are ideally suited to appeal to a market dominated by growing environmental concerns who are using their purchasing power to not only motivate businesses into being more sustainable, but ensuring their decisions are more consciously made.

This environmental and, indeed, sustainable sentiment is at the core of Kaffeeform, informs its thinking and resonates through the entire business. 'For us it is important to grow sustainably and organically, and keep our local production and social structures. We're still very small with only five employees at present,' says Anika. 'We work with a close network of small and independent coffee shops and retailers across Europe, so there are no huge corporate names to drop. Yet we do work with bigger companies for who we do branded editions of our cups.'

THIS CLEVER SOLUTION REPRESENTS
A NEW, ENVIRONMENTALLY
FRIENDLY MATERIAL ALTERNATIVE,
AND IS THEREFORE AN IMPORTANT
SIGNAL FOR THE FUTURE.

- Katrin de Louw



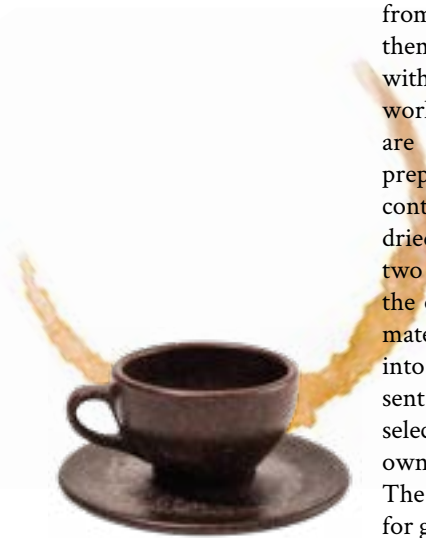
EXTRA FROTH

The idea of the circular economy is a regenerative approach that breaks the outdated take, make and dispose flow of products by promoting the elimination of waste and the continual use of resources. This is Julian's key premise. 'The core idea of our business is to use an alleged waste or wasted resource – the coffee grounds. We invented a material that re-uses this waste component and turns it into durable and long-lasting products. All that with using only plant-based, recycled or renewable components. There are no fossil-based plastics involved,' he says.

In exploring additional possibilities for an environmentally and, indeed, business sustainable future, more opportunities are brewing. 'We also work on other material combinations that will include other waste products. For us, it's important that a product, especially if you buy a new one, is based on recycled or renewable components that are long-lasting and can be recycled. Our material is definitively recyclable – we can grind it up into small parts and take it back in to our material cycle,' he adds.

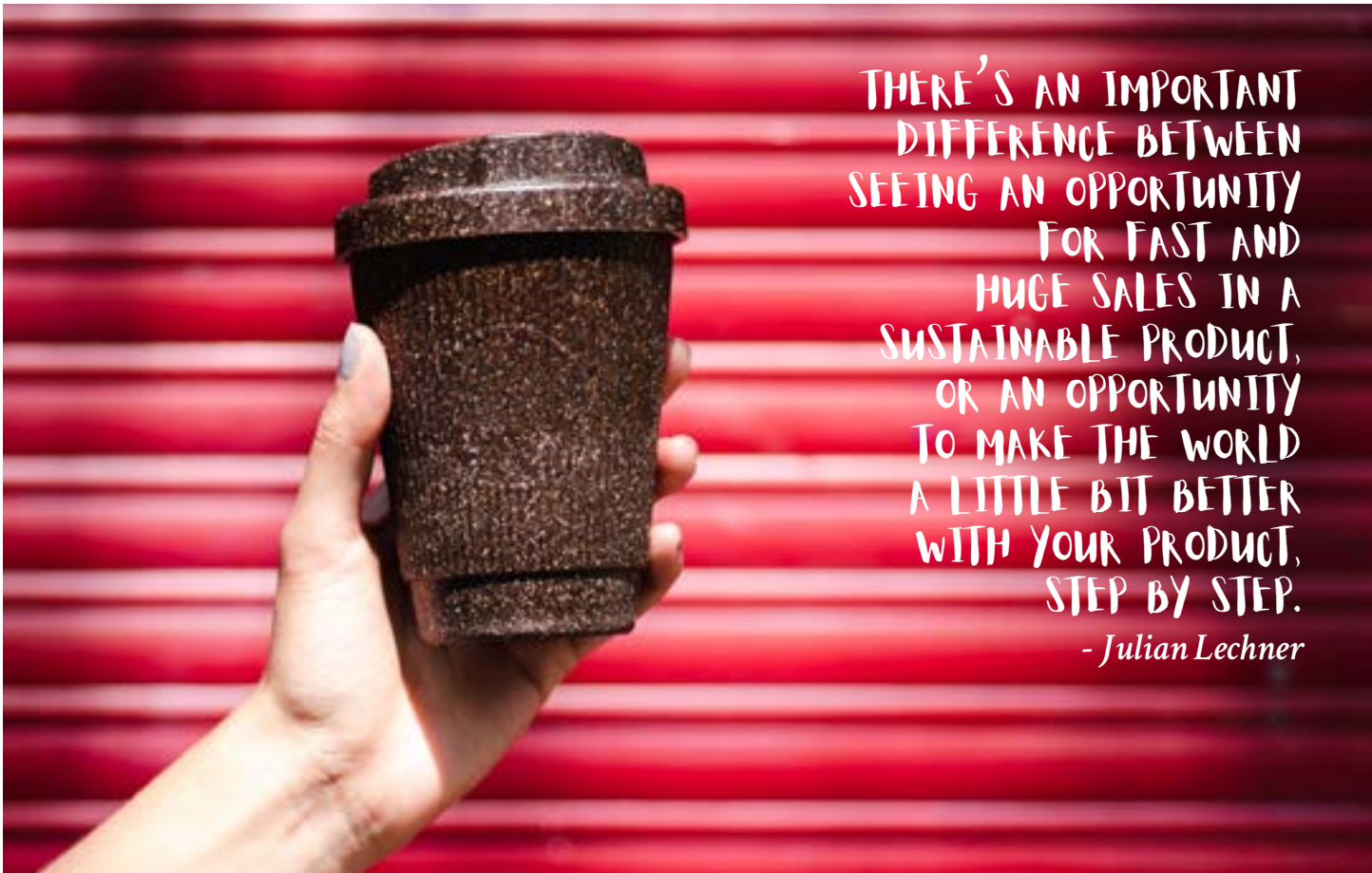
Above and beyond unique products, this material cycle epitomises a community orientation and a social consciousness. 'It's very important from the start to choose the right partners,' Anika explains. 'We get the coffee grounds from fixed partners, currently co-working spaces that use the right beans from specialty coffee roasters. That means that trade and processing (roasting) are transparent, conducted with high quality, and the farmers are paid fairly above fair trade prices.'

Furthermore, Anika explains, 'We make use of an independent bike messenger collective that picks up the coffee grounds from local cafes and roasteries, and drops them off at a local shelter for persons with disabilities in Berlin. We have been working with them since 2015, and they are in charge of manually drying and preparing the coffee grounds, for quality control, for logistics and shipment. The dried coffee grounds are then shipped to two production sites in Germany, where the other components are added and the material is produced, and then formed into cups. Back in Berlin the cups are sent out to our customers. We work with selected retailers, and sell through our own online shop, shipping across Europe.' The holistic undertaking sets a precedent for green businesses.



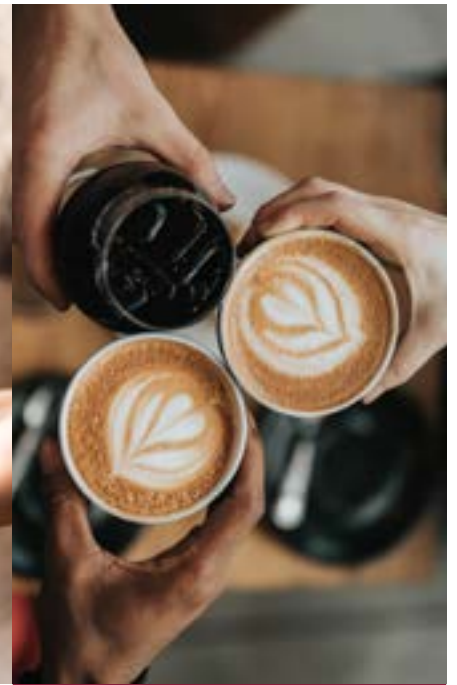
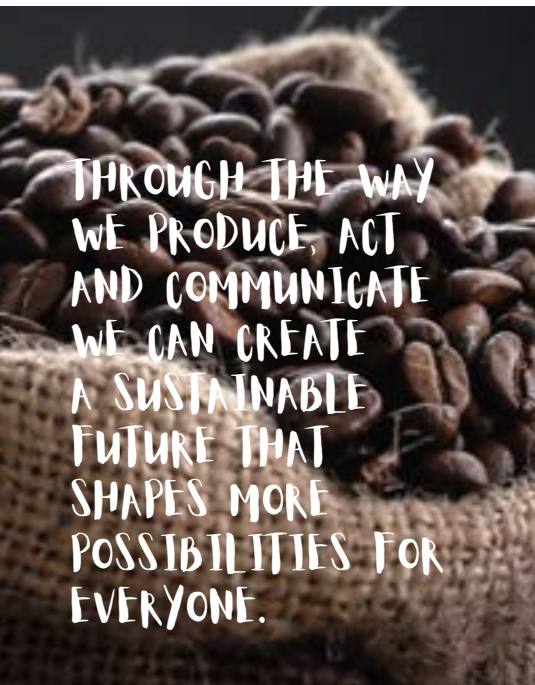
THE PERFECT CUP

In 2018, Kaffeeform received the best of the best prize in the materials category at the international Red Dot Awards. The design competition recognises innovative product design, communication design and design concepts. Katrin de Louw, interior designer, assessor as well as material and surface expert for Red Dot notes, 'Kaffeeform's concept impressively implements contemporary thinking in sustainable cycles. A valuable resource that has so far been neglected is given a new meaning. This clever solution represents a new, environmentally friendly material alternative, and is therefore an important signal for the future.'



THERE'S AN IMPORTANT
DIFFERENCE BETWEEN
SEEING AN OPPORTUNITY
FOR FAST AND
HUGE SALES IN A
SUSTAINABLE PRODUCT,
OR AN OPPORTUNITY
TO MAKE THE WORLD
A LITTLE BIT BETTER
WITH YOUR PRODUCT,
STEP BY STEP.

- Julian Lechner



When asked what they are most proud of about the idea and the business, the answer is resoundingly similar. 'Having turned a first idea into an invention that turned out to work so well and be able to create an impact in the world!' Julian says. It's this impact that resonates through advice the Kaffeeform team readily share with other entrepreneurs and businesses when discussing sustainability, 'You need to mean to conduct your business in a sustainable way and live up to it. There's an important difference between seeing an opportunity for fast and huge sales in a sustainable product, or an opportunity to make the world a little bit better with your product, step by step. More often than not, this means baby steps which takes time, commitment and dedication.'

'The current mindset and growing movement demanding action in terms of the climate crisis, quality and sustainability, of course, creates possibilities for us to grow and work in a social, sustainable way. Which is great! And at the same time, we do have the opportunity and also the responsibility to shape the world we live in through the way we consume, live and also do business, not just for us, but also for every other living species in the world,' concludes Julian. 'Through the way we produce, act and communicate, we can create a sustainable future that shapes more possibilities for everyone.'

To date, Kaffeeform has just introduced their Alphabet Weducer cup range which adds a personalised touch to your daily coffee in its sustainable container. ■

Kaffeeform combines design and aesthetics with sustainability and conservation of resources and strives to inspire people to rethink consumer behaviour. All products are composed of used coffee grounds and other renewable, plant-based resources that are hardened with biopolymers.

Each cup is:

- > Light but still exceptionally durable and robust
- > Break-proof up to a drop height of 1.5m
- > Dishwasher-friendly
- > Food-safe
- > Free from plasticisers/BPA
- > Conserves resources
- > Vegan
- > Cruelty-free

In addition, every cup is one-of-a-kind. The special appearance of the marbled surface that resembles wood is rounded off by a light coffee aroma.

Historically, social consciousness and financial success haven't gone together outside of philanthropic initiatives. CEO of Tala, a smartphone lending app, speaks to *Reyana Nacerodien* about breaking the mould with its smart, effective and efficient service as an economic change agent.

TURNING THE TIDE

Nearly half of the global population is excluded from the formal financial system. These often-marginalised people aren't able to make use of, and reap, the benefits of institutional financial support. Tala has entered the market with a strong drive to change. Led by serial innovator, 37-year-old Shivani Siroya, the business vehemently pushes to match their work to their belief that every person deserves the opportunity to take charge of their financial life. This belief has driven the business forward since its start in 2011.

TeamTala, as they affectionately call themselves, now boast about being a proud partner to over four million customers in emerging markets around the world. What they're most proud of though, is how they are advancing the lives and communities of those customers.

What They Do

Basically, the business offers smart loans for people with no credit history giving a largely untapped market access to life-changing capital. 'We're a data science and mobile technology company that is changing the way that people access financial services, but, more importantly, that we are giving them choice and control over their financial lives,' explains Shivani, Tala's founder and CEO. She's a TED Speaker as well as TED Fellow, and was nominated by Melinda Gates in 2018 as one of the 25 icons who will shape the future. Her areas of expertise include data science, econometrics, finance, microfinance and mobile technology.



Tala taps into customers' smartphone data to offer the world's most accessible consumer credit product, instantly underwriting and then disbursing loans to people who have never had a formal credit history. The mobile app lets people in Kenya, the Philippines, Tanzania, Mexico and India take out small loans that range from USD10 to USD500. 'We've developed an Android application that allows anyone around the world to actually get scored and get access to capital using just the data on their mobile devices,' explains Shivani.



While working in microcredit, Shivani quickly noticed the very limited change potential of the system. 'The problem was these loans didn't move people out of the informal financial service market into the financial system,' she says. 'It didn't give people real choice and control.' A brainwave struck. That brainwave then took root in the statistics representing mobile phone penetration in Africa. Remarkably, statistics show that more people have access to a mobile phone than to electricity, and it's expected that smartphone usage exceeds 600 million.

Shivani realised that people didn't need a traditional credit history given the wealth of data that could be derived from their device. 10,000 data points gathered from a smartphone user illustrates a robust picture about a person's likelihood to repay a loan with a high margin of accuracy. Once approved, a Tala borrower can get credit through their phone in only a few minutes. 'The entire process for about 85 per cent of customers takes under two minutes – literally from downloading the app, registering, getting scored, and actually getting money into their account,' says Siroya.

How They Do It

Basically, mobile data is used as a credit score. 'Data allows us to really understand the identity of this individual, to understand their capacity and whether they can actually afford to repay, and then, lastly, to understand their behaviour, to understand the likelihood of whether or not they will actually repay the loan. We do that in about 5 to 10 seconds,' explains Shivani. 'We want to understand, do you have loans outstanding? What is the amount of money that you get paid on a daily, weekly or monthly basis? Are you someone who's really consistent with making your bill payments? A lot of that information is actually sitting on the device, around the world, as opposed to on email.'

The Tala application makes use of software that seeks that kind of transaction-type data. In addition, behavioural data is sought. 'Other things in terms of behavioural stuff, which is more around your character and that likelihood piece, that's really where it gets more interesting. It's the kind of apps that you use. How do you actually use your phone? How many calls are you making throughout the day? How many messages are you sending? We bring in about 10,000 different data points per individual, and it's about 90 days' worth of historical data when a person actually downloads a device. All of this gives us a really good sense of the daily life of this customer. So, it's not just these random data points but it's really about the context of their daily life,' says Shivani.



Transformation in Action

While others have attempted to offer digital finance opportunities, Tala remains mission-driven. Beyond the technology behind the app and business, the transformative impact is the biggest achievement.

A study conducted in Kenya showed that Tala has had a positive immediate impact on customers' lives since it launched in the country in 2014 by helping them through income shocks and reducing the emotional stress of those. The team recently celebrated five years of working in the country having partnered with over three million customers. Kenyans have used Tala loans to start and grow businesses, pay school fees, cover medical bills, and as general assistance through life's financial challenges.

The business further supports financial health of its customers by offering regular advice on the subject and engaging in customer campaigns. Recently, Tala introduced Money March in partnership with the Digital Lenders Association of Kenya to help build healthy financial habits around the theme of family finance. This level of customer educational engagement is maintained through initiatives such as Tala Talks, which is a financial advice audio drama series produced by the business for its customers.



Shivani Siroya

Stories of life changes abound for Tala users. Emmanuel, a Kenyan wildlife ranger became a customer in 2015. He went from struggling to make 50 shillings (less than USD1) per day to landing his dream job, moving into a new home, and sending his son to school—all in the space of a few years. 'Tala has been the best thing that I've ever had. It was Tala who gave me that first chance, that first trust, that first step. And now I'm here. I've brought my family to Nairobi. We have a really nice house and my kid is going to school. Everything's rolling out positively, thanks to Tala,' he reports.

In 2016, in the Philippines, Aimee, a talented cook, dreamt of starting her own food stall business. Unemployed, living in the largest informal settlement in the area and with a family to see to, this seemed impossible. Her husband worked but they struggled to raise enough to get a new place. She applied for loans from several banks, having to navigate endless, complex paperwork, but was denied each time because she had no credit history.

Tala stats show that Aimee isn't alone, with 73 per cent of people in Southeast Asia and over 77 million people in the Philippines alone still remain unbanked. This prevents people like Aimee from accessing capital to improve their livelihoods. 'I started with just 1,000 pesos. I thought about how I could grow my limit, so discipline kicked in. I offered my products to neighbours and nearby offices. Over time, my limit increased as my business continued to grow as well,' Aimee explains. In just two years, Aimee was able to double her family's income, move them to a bigger apartment in a safer neighbourhood, and use the profits from her food stall to open another business selling beauty products.

Though worlds apart, both the lives of Aimee and Emmanuel have been forever changed. Their futures and that of their families hold even more possibilities, not only because of these changes, but because of the continued relationship with Tala.

Final Words

The business explicitly states, 'At Tala, we believe every person deserves the opportunity to take charge of their financial life. That's why we're building a financial system that works for everyone'. With nearly half of the global population unable to participate in the formal financial sector, the Tala offering is geared to facilitate growth and tangible change in customers' lives. Beyond that, TeamTala's work is enabling new ideas, businesses, innovations and further possibilities.

With a view to the future, Shivani says, 'I believe that Tala will be a full financial services platform that empowers the customer in every aspect of his or her financial life. I also believe that, five years from now, we'll have proved that it's possible to succeed by doing things differently—that mission and profit aren't a zero-sum game, that you can be for both of these things and still win.' ■

For more information on Tala,
log onto tala.co

OPINION:

Moral Skills and A.I. by Dr Adha Shaleh

Artificial intelligence (AI) software technology we're using today has the following capabilities: face recognition, weather forecast, social robots and chat bots. The positive impact of AI includes increasing productivity and benefitting human society with large scale interconnected databases to include better decisions for human activities.

However, does automating a task to AI diminish our skill at that particular task? I say yes, if it leads to significant reduction in reflection and reasoning skills. Indeed, if it deprives people of the process of acquiring moral skills, and definitely, if it separates our judgment on a wider range of human tasks such as policing, court cases and teaching. Therefore, overreliance on AI, then, makes me think that automation 'dumbs down' human beings.

Furthermore, AI doesn't show its thinking processes at all, whereas humans are experts at reasoning and reflection. We think through the reasons behind our judgements. AI, by contrast, only predicts the alternatives for us. For instance, although AI can give a reliable prediction on students' class performance, we still need collaboration from parents and teachers, who are capable to assess young behaviours on a daily basis. We can also navigate our driving directions to a new route every time the navigation apps fail. This is why the more prone we are to automated systems, the more important our skills become when a system fails.

Also, human beings are a group of individuals with mental capacity to carry out their responsibilities. To do the latter relies very much on the maturity of reasoning and intellect. Both are key attributes of mentally competent individuals, who fulfil rights and discharge obligations.

On the other hand, AI induced robotics don't have the mental capacity to fulfil obligations, and we can hardly punish them for non-obligation. This is the part where moral judgement can't be deferred to automation. Furthermore, AI systems trained on past data, and as social context evolves, the systems may not have the data to deal with novel cases. Such situation, thus, needs human intervention.

Nevertheless, AI and human intelligence should move in harmony with the higher purpose of delivering moral values to the public. AI programmers, and those who have stakes in this technology, should stick to the objectives of creating a better world.

Technology, ethics and character building especially among the young generations are fundamental values in society. These elements bring us towards cooperation, social justice and integrity when it comes to the protection of reasons, intellect and rationality. We must maintain enough human operated systems, while working towards moral upgrades for AI systems. Discourse in AI must never leave out moral skills because our lives, generations, intellect, wealth and properties depend on the exercise of moral judgement.

Finally, society should never be intimidated by AI. If the perfect blend of human skills, moral values and automation are in place, you can be sure that human reasoning, intellect and dignity will not be compromised. Thus, we should expand our understanding of what it means to be moral in the age of AI. ■

**Dr Adha Shaleh is a freelance researcher and newspaper columnist.*



Gaming the Future

The mobile gaming market has evolved with gaming visionaries plotting for an exciting future. **Reyana Nacerodien** gamely reports on its evolution.



Gone are the days when we revelled at a high score on the infamous *Snake* game on Nokia 6610 phones. The game has now progressed to its eighth version. Early generation games like *Snake* and early versions of *Tetris* despite their updated iterations, pale in comparison to their modern counterparts. Newzoo, who offers market intelligence for games, e-sports and mobile, says that the mobile gaming industry is expected to top USD100 billion by 2021, achieving a decade of double-digit growth. The industry boasts global usage statistics of which Asia dominates.

While fintech, connectivity and mobility continue to demand attention, the gaming industry has, not only harnessed developments in those areas but assimilated them in order to catapult its own progress. Wireless application protocol (WAP) enabled mobile devices to connect to the internet signalled a surge of inspiration for mobile designers and a catalyst for the next wave of mobile games.

Fast forward less than a decade to the launch of the App Store by Apple, facilitating another major evolution for the gaming industry. These days, smartphones are practically game consoles in the palms of people's hands and 5G and cloud streaming will push this even further changing how and what gamers play. 'The global games market is moving towards a future in which platform choice is less relevant, driven by cloud gaming, cross-platform game services, and even cross-platform multiplayer — all powered by 5G,' says Peter Warman, CEO and co-founder of Newzoo. The possibilities seem endless. Experts from Newzoo, predict that mobile gaming will be the fastest-growing segment of 2020. Given the developments in various gaming firms, the future lies in going mobile.

The Butterfly Effect

Practically, the butterfly effect of this burgeoning industry lies in those all-important additions – some obvious and some not. Cloud gaming and 5G will necessitate that more premium game titles be accessible to more consumers via mobile. But that's just the tip of the iceberg. Peripherals and input devices are already a crucial feature of the games market. Controllers, keyboards, mice and headsets are already virtually synonymous with the business.

Even further into the periphery, apps have been developed. Two apps that are going to become increasingly popular are *Discord* and *Telegram*. They are messaging apps with voice call capabilities that offer good alternatives to traditionally popular messaging apps. Online social gaming, such as *Fortnite*, has become an alternative to socialising through social networks. The wildly popular online video game has evolved into a place that's not home or school, where kids can get together and socialise on their own terms. It's the new mall.

Despite the typecasting for players as antisocial basement-dwellers, much of gaming is designed to be a social activity. Games that enable multiplayer mode give groups – families, friends, strangers from across the world – the space for digital interaction and competition.



Jennifer deWinter

Gaming for Good

It's on this social front that even more interesting development is burgeoning. 'From our perspective as academics who study the gaming industry and teach college students' game theory and development, video games can actually create strong social connections and inspire the prospect of tackling important social issues,' says Jennifer deWinter, director of the interactive media and game design (IMGD) programme at Worcester Polytechnic Institute (WPI) in the United States. WPI offers gaming classes that enable students to better understand human behaviour and health and develop focuses on the emotional modelling and rehearsal that these game offer. Because of this, Jennifer and her colleagues negate the negative stigma associated with gaming.

'This is actually a historical problem. Humans, like most animals, are playing animals, and games have long been an object and practice of our cultural expressions. The shift toward video games as 'masculine' and in particular a type of toxic masculinity can be traced in the advertising media of the late 80s and 90s in particular. Sega, for example, differentiated itself by marketing to boys positioning itself against Nintendo, which was marketed to families. This shift pulled hard into games as masculine, and it was all a product of marketing and developer practice – selling players the pseudo experience of being techno-masculine,' explains Jennifer.

‘So, that stigma is real, and it’s real because it is constructed and then reified in the practice of daily life by a small subset of gamers. When we diverge from “gamer” as identity and look instead at who plays games, then that stigma functionally disappears. All types of people, different ages, genders, social classes, play games. The mobile market and before that, the Facebook games and PC games, have always attracted and explicitly supported what is often considered “feminised play”— puzzle and pattern games, detective games, hidden objects. So mobile gaming, specifically, has opened up what we understand and value as a diverse audience and a diverse developer base,’ adds Jennifer.

Yunus Telli, assistant professor of Anthropology and Rhetoric at WPI believes that the connections between games and society or culture are complex. ‘That’s why the question I find more interesting and perhaps urgent is how games create experiences for its players in ways that those players might find themselves reflecting on norms, values or identities they take for granted,’ he says.

Currently, Yunus is working with a graduate student, Tariq Rakha, on developing a socially-conscious game that draws on Islamic tradition. There are many games out there that uses imagery from Islam or other religious and spiritual traditions. ‘My question to him is what’s the meaning of creating a video game drawing on Islam’s moral traditions at an age where you can have an Islamic version of “call of duty”? Does a video game having the option of playing as a Muslim soldier make it religious? Game designers and developers like Tariq push the envelope, asking whether it is possible to capture spiritual dimensions in video games,’ Yunus says.

Jennifer shares similar inspired examples, ‘One of our students in the Interactive Media and Game Development course created an empathy game entitled *Gotta Go*. Empathy games use the choice function of games to give the player an empathetic understanding about why people choose to do the things that they do. *Gotta Go* is a game that’s in direct response to the North Carolina HB2 Public Facilities Privacy and Security Act, or Bathroom Bill as it’s known. The Bill places limitations on where transgender people could go to the bathroom. The characters in the game need to use the toilet, yet their bodies are controlled both through the law and people responding to that body. Ultimately, it is intended to increase awareness about how bodies are policed in public spaces.’

In addition to social consciousness, games students have developed have considered environmental application. ‘Another game that I have worked with students on is a resource management game about invasive species, entitled *Eco Kids* and the *Paper Pests*. The process of playing the game, of trying to limit or eliminate invasive species on an island, demonstrates the threat that invasive species bring to a complex ecosystem. For this, we used real ecological models as the basis of the simulation but provided players agency in those models to show how action has power, but sometimes human intervention cannot win in the face of ecological destruction,’ Jennifer explains. ‘For me, as an anthropologist who is working with game developers and designers, the question isn’t whether video games can or should address social issues. That assumes video games are outside of the society,’ says Yunus.



Future Forecast

Yunus sees future possibilities in social innovation and human rights advocacy citing professionals and volunteers in the humanitarian sector are already introducing gamification in their advocacy work. 'The Humanitarian Leadership Academy, funded by a group of several major philanthropies in the world, offers a free platform in multiple languages where people from all over the world can learn about how to use online and offline games in their humanitarian work. Platforms such as Gamoteca also scale game-based learning for human rights advocacy,' he explains. 'One noteworthy aspect of this gamification turn in humanitarianism is that there is a growing emphasis on human-centred design, and the need for humanitarian or human rights games to be locally meaningful and impactful.'

'We're firmly moving into an experience economy, largely mediated by interactive media,' Jennifer affirms. 'I see the impact of video games and mobile gaming in the transferability of the skills in both building and playing games. Game designers turn experiences into systems; the act of play turns systems back into experiences.'

So, the future, according to Jennifer, is going to continue exploiting the medium in telling experiential, action-based narratives or providing platforms for puzzle-solving. In addition, the experience-design methods are going to be increasingly used in non-gamic uses, pushing the limits of mobile technologies, such as augmented reality for history – using the camera for sight or directional sound for audio or gamic elements in mobile devices to extend social networks in urban landscapes, such as connectivity games that introduce a person to someone that they might not have known.

'Sometimes, as an educator, when I think about what games teach, I'm asked what they teach the player,' Jennifer muses. 'Games are an expressive medium that teaches the developer a tremendous amount of complex, interconnected knowledge in order to then ask that developer to translate that into a system.'

Jennifer speaks highly of the project-based learning used for gaming students and the results she has seen. 'We also ensure that all students have the opportunity to participate in our interdisciplinary project centres, where we send students all over the world to work with community partners and NGOs to see how people and cultures intersect with real-world problems. In this context, IMGD students have created interactive media, pulling from their games training to develop simulations that teach people in Southeast Asia how to do biogas development in rural schools – a project done in rural Thailand – and created dynamic database maps from scratch to study urban resiliency in Kyoto Japan.'

These projects speak to further possibilities that extend beyond the concept of gaming that many have come to understand. Even further, the financial success and potential value of mobile game is augmented, and, for the socially aware, usurped, by more humanitarian applications that have the ability to bring about even further gaming evolution. ■



Yunus Telliel





TECH-ING ART TO THE NEXT LEVEL

Two young Malaysians plan to create that one space where everyone who is into arts and tech can gather to create new things, as well as exchange ideas. **Su Aziz** chats with them on their art collective, Filamen.

Coffee drinking, 36-year old Fariz Hanapiah introduces himself as a tech enthusiast who loves how tech can improve people's lives exponentially. Fariz and co-founder, Abdul Shakir, created a four-year old local art collective that specialises in audio-visual technology, the KL-based Filamen. It's where local artists can express artistic works through tech – where visual art, ideas and tech meld.

'Filamen started in 2016 as an idea to gather visual artists and do lots of projection mapping works,' explains Fariz. 'Since then, it has evolved into something more communal as a point of gathering between new media artists, traditional artists, curators, arts enthusiasts, students and art festivals.'

Both Fariz and Shakir felt that there was a gap in Malaysia between art and tech. 'They're pretty polarised and we thought that we could work out a platform that could merge these two together and create new things,' Fariz explains further. 'To us it's a natural progression for us to dive into this as we have already been working a lot with art and tech on a daily basis.'

Currently, Fariz is deeply involved with motions graphics and design companies of Motiofixo and EDT in Kuala Lumpur, Malaysia. He believes that technology has paved many new ways for artists to express themselves. New mediums such as light projection, LED's, touch displays, sensory allow artists to explore new techniques and be able to take audiences to a different world altogether. This evolution will continue, he reckons, 'It's our role to get artists, and new artists, the accessibility to the new tech in order to discover new ways of expression.'

Right now, the best example of tech and arts that both Fariz and Shakir love would be Teamlab's works. It's an international art collective featuring various specialists from artists to architects whose collaborative practice navigate the confluence of art, science, tech and the natural world. 'We've seen it in Tokyo, Singapore and Jakarta. I personally love how they execute the works that have all the items checked as promoting local culture, arts that are very inclusive for all audiences and a sustainable business model,' says Fariz.



Meanwhile, the most significant collaborative work that Filamen has curated would be *Immersio*, which is an immersive audio and visual exhibition. 'We've been working with Freeform, the good guys who made Urbanscapes, the past three years. And we've created *Immersio*. It was significant because these events elevated our profile and allowed us to expose many new talents that have now grown and received their own clientele.'

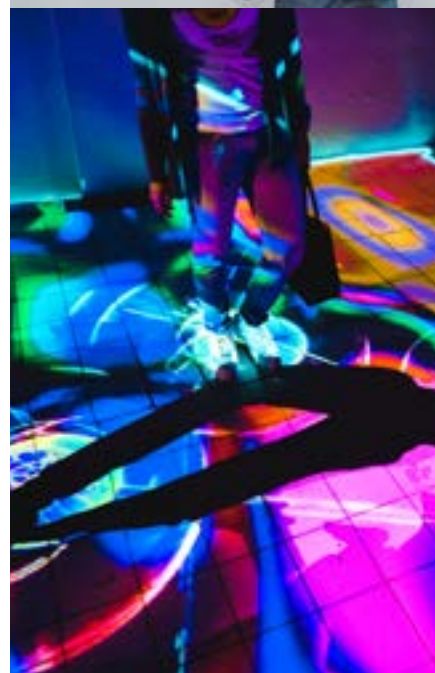
The biggest challenge the duo face while curating arts and tech is finding new and fresh talents. 'It's also the most important part of building a community. Then, it'll be keeping up with tech and having the know-how on things. All these also boil down to cost which lead to sustainability. It's an ongoing adventure that we're happy to be challenged with.'

The father of two, speaks on how they propel an arts-based company to be economically viable. 'That's in fact one of our pillar missions in Filamen – to make creating art and tech accessible. We're hoping that we could work with various parties from the government, festival organisers, hardware suppliers and create one centralised space that could act as a "library of art and tech" which artists can access hardware, space and knowledge, at least resistance,' says Fariz.

From observation, Fariz concludes that audience crave for 'experiential' everything, 'It'll be a big opportunity for artists to use tech as an enabler for this. Spatial design, architecture, retail in malls, brands and digital content will definitely be in need of artists as a service. It's also consumption of arts themselves will improve as people see the merging of these content consumption into their daily lives.'

Both Fariz and Shakir plan to create that one space where everyone who is into arts and tech can gather and create new things, and exchange ideas. 'We hope we could start working on this, this year and get that up as soon as possible,' says Fariz.

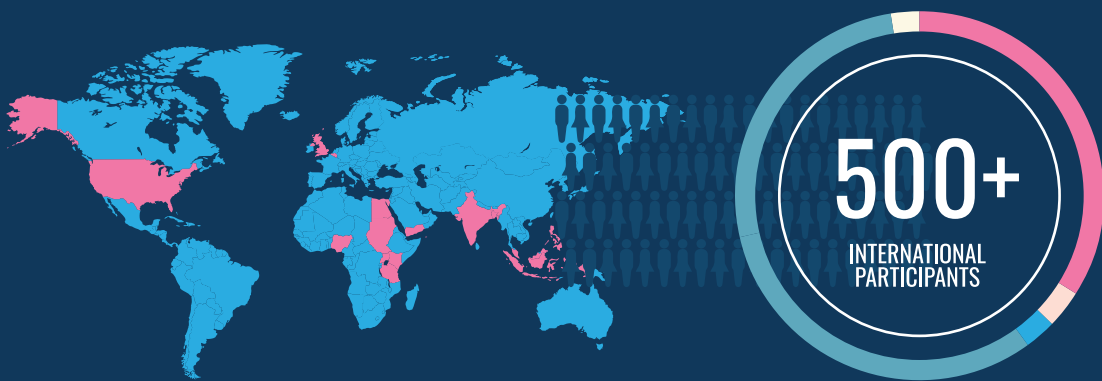
One last question, if you knew then, what you know now about technology, what would you have done differently creatively? 'I don't think I would have done anything differently. It's all about timing and finding that sweet spot,' Fariz says with a smile. We thought so too and we can't wait to witness Filamen's progress once the pandemic is over. All in good time, they say. For nothing innovative ever comes easy. ■



WIEF INITIATIVES 2019

PUSHING THE OBJECTIVES ON ALL FRONTS

Over 500 participants from across the globe attended events held in 2019



WIEF-SEACO Foundation Dhaka Roundtable 2019

291 participants | 12 countries
4 sessions

9th WIEF Global Discourse on 4IR

143 participants | 4 countries
1 session

WBN #IEmpower

32 participants | 4 countries
4 sessions

WIEF Young Fellows 2019

20 participants | 8 countries
8 sessions

7th Regional WIEF Online Marketing Workshop

32 participants | 10 industries
13 sessions

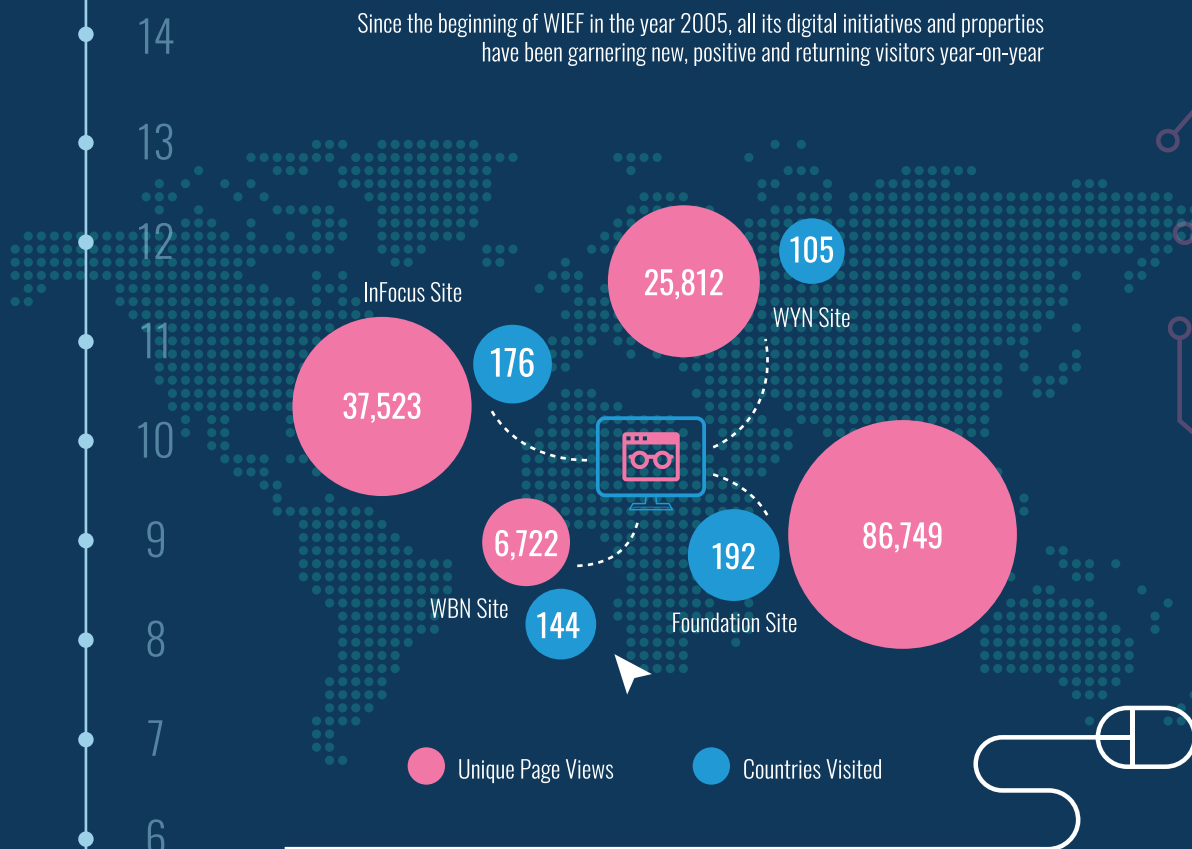


WIEF Foundation 2019 initiatives had over 30 sessions covering variety of topics

15 YEARS

AND GOING STRONG

Since the beginning of WIEF in the year 2005, all its digital initiatives and properties have been garnering new, positive and returning visitors year-on-year



In Focus, WIEF Foundation's publication, has published **384 articles** to date



58,298 Followers across social media



WIEF Roundtable (WRT)

WIEF Roundtable provides a unique avenue where regional and local entrepreneurs as well as investors congregate to discuss business issues. Also explore new creative ideas to existing objectives. This programme provides an important leverage on economic strengths that help transform a common vision into reality.

Roundtables have been held in many cities including:

Istanbul, Moscow, Johannesburg, Dhaka, London, Tokyo, Jakarta, Phnom Penh.



2,700 +
PARTICIPANTS



14
COUNTRIES

WBN

WIEF Businesswomen Network (WBN)

WBN has paved paths for businesswomen to access relevant entrepreneurial resources through various programmes. Its global partnerships and collaborations with other businesswomen organisations, empower businesswomen and support their positive economic contribution.



600 +
PARTICIPANTS



50
COUNTRIES

Programmes include:
Online Marketing Workshop, Women Entrepreneurs Workshop and WIEF TeaTalk.

WIEF Education Trust (WET)

WET is established to promote and strengthen human capital development through collaboration, education and training. It aims to provide educational opportunities to people at large by garnering support and resources from the Muslim world.

Programmes include:

Global Discourse Series, Social Enterprise Forum and Awqaf Development Exchange (ADEx).

1,000 +
PARTICIPANTS



15
COUNTRIES



WET



WIEF Young Leaders Network (WYN)

WYN aims to promote cross-border business opportunities and social projects for the common good. It's a global youth network for young pioneers and changemakers to connect as well as collaborate focusing on creating top-class leadership mentality under the tagline Learn.Empower.Earn.Return.

Programmes include:
IdeaLab and Young Fellows.

1,000 +
PARTICIPANTS



146
COUNTRIES

