

## FRANÇOIS BARRAULT

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Welcome to this session. It is called 'Opportunities and Challenges of the Digital World with a focus on technology. First of all, I would like to thank Thierry de Montbrial and his team for this wonderful event. We are kind of back to back, but I guess we all love it.

I am just back from a forum which we organised with the Idate and DigiWorld Institute. We had about 1,200 people, 170 speakers, around 80 sessions on these topics, and we could not get to the end of the issue. We have to be very selective to illustrate the theme and we have selected four topics, which will be presented by our four distinguished panellists.

The first one is Patrick Nicolet. Patrick will be in charge of setting the scene. Patrick is a member of the group management board of Capgemini. He started as a venture capitalist and then joined Ernst & Young, bought by Capgemini. Since January, he leads the infrastructure business unit at Capgemini and is a native Swiss living in Lausanne.

Then we have Fyodor Lukyanov. He will talk about the impact of digital in Russia. He is a founding editor of *Russia in Global Affairs*, a research professor at the National Research University Higher School of Economics in Moscow, and he was elected chair council on foreign and defence policy. He is also a member of the Presidium of the Council on Foreign and Defence Policy.

Then we have Mari Kiviniemi. She will talk about global policy. She is the OECD Deputy Secretary-General since August 2014. She is also responsible for advancing the Better Life Initiative and she was Finland's Prime Minister in 2010 and 2011. Before that, she was Minister of Public Administration and Local Government, Foreign Trade and Development and Minister of European Affairs. She has done everything.

Then we have Susan Liataud. She will talk about a very important subject, especially in this period, about ethics. She is founder of Susan Liataud & Associates, which is a consultancy in ethics matters internationally. She also served on numerous advisory boards like London School of Economics, Stanford Centre of Philanthropy, Doctors Without Borders, American Hospital of Paris and others.

The last 15 years have been incredible and many of us, but not all, were lucky because we grew up in a world where we did not have TV and telephones at home. Do not think I am an old guy, but that is the truth. There were no smart phones, no mobile, and we did not chat virtually with people. We would just talk to them and we were not obliged to go on our PCs to see series. We just watched TV and sometimes there was just one channel.

We can say that in the last 10, 15 years, the revolution has speeded up and we live in a world which is a bit crazy. Not only has this digital transformation changed the way we live, but it has changed many aspects, like knowledge. For many years, knowledge has been an asset that people kept for themselves. Now, knowledge is something that people share and young people, our kids, students share knowledge and give this knowledge back to the community, and the community gets stronger and stronger.

We all learned in our early days about Schumpeter cycles. We were talking about decades, moving from 40 years to 10 years. Now, with the Schumpeter cycle, we are talking about years or quarters. There is also instant and viral communication, which helps artists. We can share pictures wherever we are. There have been revolutions, like the Arab Spring, and also the horrible tragedy where the digital economy and the web has helped terrorists to do horrible things.

It also simplifies and complexifies our lives. We talk a lot about boundaries, but there are no boundaries in the digital world. That means cyberattacks and a big issue on resilience and privacy. There are a lot of things now that are totally new for most people and destabilises the infrastructure. It is also a 24/7 culture. You see all those people living and sleeping with mobile phones. I recently saw an ad for the next gen BlackBerry showing people wearing helmets to avoid bumping into people in the street while checking their BlackBerry.

I am a lucky person because I have been in this world since 1977 when I started to program on a computer, and we can say that in the last 30, 35 years, it went up, and in the last five years it has accelerated. We have seen nothing in terms of transformation. There will be as many changes in the next 18 months as we had over the last five years. Those cycles are speeding up.

The most amazing thing for me is that this huge transformation, which has created immense wealth, has been built without governance. It started as a message infrastructure for universities and then it became viral, became worldwide and became a way of living and an industry creating immense wealth. I do not want to get too technical, but what does it mean when I say that this world has been created without governance? That means in fibre optics, we have packets of data and every single packet of data is not discriminated, it can be voice, a trade, a website where you want to have a programme or something, but this packet of data is not discriminated. That means one very simple thing – there is no link between the content of this data and the wealth creation, just like on the highway whether you have a big truck or a small motorcycle, you pay for the same things.

It creates something which is very unpopular right now. It is unpopular for some of us due to network neutrality, but also very unpopular for those who carry the traffic: the operators. The wealth has been distributed in a very strange way, where those who enjoy the wealth creation of this business do not pay for the infrastructure. However, this is another subject.

Finally, it has also disrupted a lot of business. In our conference last week, we had people from Airbnb, Uber, Amazon, Booking.com, and their market cap is sometimes bigger than the addition of the market cap of the five biggest companies in the real world, without having any people or assets on the table. It is a very fast and furious world, very difficult to regulate like others. By the way, nobody wants to touch this governance because of the complexity, because of profit and also the critical aspect of this industry.

To illustrate that, I would like Patrick to set the scene for us.