



Bloomberg
New Economy
Solutions

Beijing
November 2019

Solutions Report



What

A solution is a product, service, program, policy, or initiative that enables the private sector to create societal good and measurable results across the most important challenges relating to the New Economy editorial pillars: trade, technology, climate, finance and capital markets, inclusion, urbanization, and global governance.



Who

Solutions arise from collaboration. Bloomberg creates powerful coalitions of the world's top leaders across industries, functions, and regions. Although solutions are led by the private sector, Bloomberg welcomes all leaders committed to fostering inclusive growth.



How

Bloomberg advances solutions by launching pilot programs, forging partnerships, convening global coalitions, raising awareness for powerful ideas from around the world, and measuring and publicizing the results.

Global Solution Sessions

In 2019, we brought together leaders around the world to advance solutions launched at the inaugural 2018 New Economy Forum in Singapore. We hosted Solution Sessions with companies and organizations across **19 industries**, who together employ over **3.7M workers**.



Bloomberg is proud to collaborate with innovative companies and organizations on New Economy Solutions. We could not drive impact and results without the organizations that helped advance solutions in 2019.

2030Vision
3M
Anheuser-Busch InBev
Anglo American
Arm
Asia Society
Bangkok Bank
BT
CDP
Cargill
CBRE
Chanel
Coca-Cola
Conicle
Credit Suisse
Disrupt Technology Ventures
Edelman
EL Rothschild
Enseña por Mexico
Ernst & Young
Eurasia Group
Facebook
Fullerton Health
Generation

Google
Goldman Sachs
GovLab at New York University
Grand Royal Group
Greentech Capital
GSMA
HSBC
Hyundai
Internal Displacement
Monitoring Centre
KPMG
LEGO
Lennar International
LinkedIn
Mastercard
McKinsey & Company
Morgan Stanley
National Grid
National University of Singapore
New York City Economic
Development Board (NYCEDC)
Noble Intelligence (McKinsey)
OpenDurian
PayPal

Planet
Salesforce
Schneider Electric
Siam Cement Group
SkillsFuture Singapore
Syngenta
Talent Center Institute SC
Tata Sons
Thai Bev
Thai Wah
The Border Consortium
The Innovators Institute
The Tent Partnership for Refugees
UBS
United Nations
United Way Mexico
Department for International
Development (UK)
Vonder
Walmart
William Jackson Food Group
World Bank Group
Worldwide Generation

Thank you to each individual, organization, and company that has engaged with us this year. We look forward to continuing to work together to meaningfully drive progress and measurable results to create a stronger, more inclusive global economy.

We encourage delegates to get involved with our ongoing initiatives in 2020 and beyond. In the following pages you will see highlights and updates from the inaugural year of New Economy Solutions and ways that your company can get involved.



Solution

Hire and integrate refugees

How can the private sector play a role in alleviating the worst refugee crisis in history?

Challenge

The largest refugee crisis in history is growing.

With resettlements across the Middle East, North Africa, and Latin America,

One out of every 110 people

has been displaced from their home country.

Political turmoil in Syria and the Northern Triangle of Central America has worsened,

driving millions across borders.

In Thailand, 80,000 people have resettled in sprawling camps along the border with Myanmar.

Europe and North America, where many refugees resettle, have struggled to cope. Job opportunities are inadequate for the scale of the displaced population, and many refugees have struggled to learn new languages and leverage their educational credentials in a foreign context. Half of the world's refugees have been displaced for more than two decades.

The success or failure of refugee integration can have lasting consequences, affecting whether future generations reach their full potential or remain trapped in poverty. Beyond being a humanitarian imperative, integrating refugees successfully would contribute to economic growth. Research suggests that integrating refugees who have arrived in Europe between 2015 and 2018 would add at least 70 billion euros to annual GDP by 2025.^[1]

Given the scale of the challenge, governments and non-profit resettlement organizations cannot solve the problem alone. Corporate leaders have an opportunity to join the global response by hiring and retraining refugees and expanding corporate diversity-and-inclusion programs to benefit displaced workers.

How can we leverage the private sector to support a more stable and prosperous future for the world's most vulnerable refugee populations?

^[1]McKinsey Global Institute, "Europe's Refugees: Refocusing on Integration," Briefing Note, May 2018

New Economy insights

Bloomberg is elevating awareness of the refugee crisis to the C-suite inside the world's largest companies and building coalitions of private sector leaders to act.

In 2019, Bloomberg New Economy convened Solution Sessions with senior leaders in Bangkok and Mexico City to find new ways of addressing regional refugee challenges. Participants included large multinationals such as 3M, humanitarian assistance agencies such as The Border Consortium and UNHCR, and training and reskilling companies such as Generation.

Key actions being pursued after these sessions include:

- Identifying factories with openings that can be filled with refugees
- Addressing skills and language gaps among current workforces
- Improving perceptions of refugee integration among employees
- Engaging employers in identifying skills gaps and future needs that can be filled with refugee talent
- Supporting refugees' psychosocial health
- Applying lessons to the refugee crisis from other diversity and inclusion efforts

In 2019, we collaborated with the Tent Partnership for Refugees, a nonprofit founded by Hamdi Ulukaya, the CEO of Chobani, to work to improve the lives and livelihoods of refugees. Tent has engaged 130 organizations, including Unilever and Starbucks, to provide professional opportunities and other services to 200,000 refugees, and supports companies in understanding and communicating the opportunities for supporting refugees.

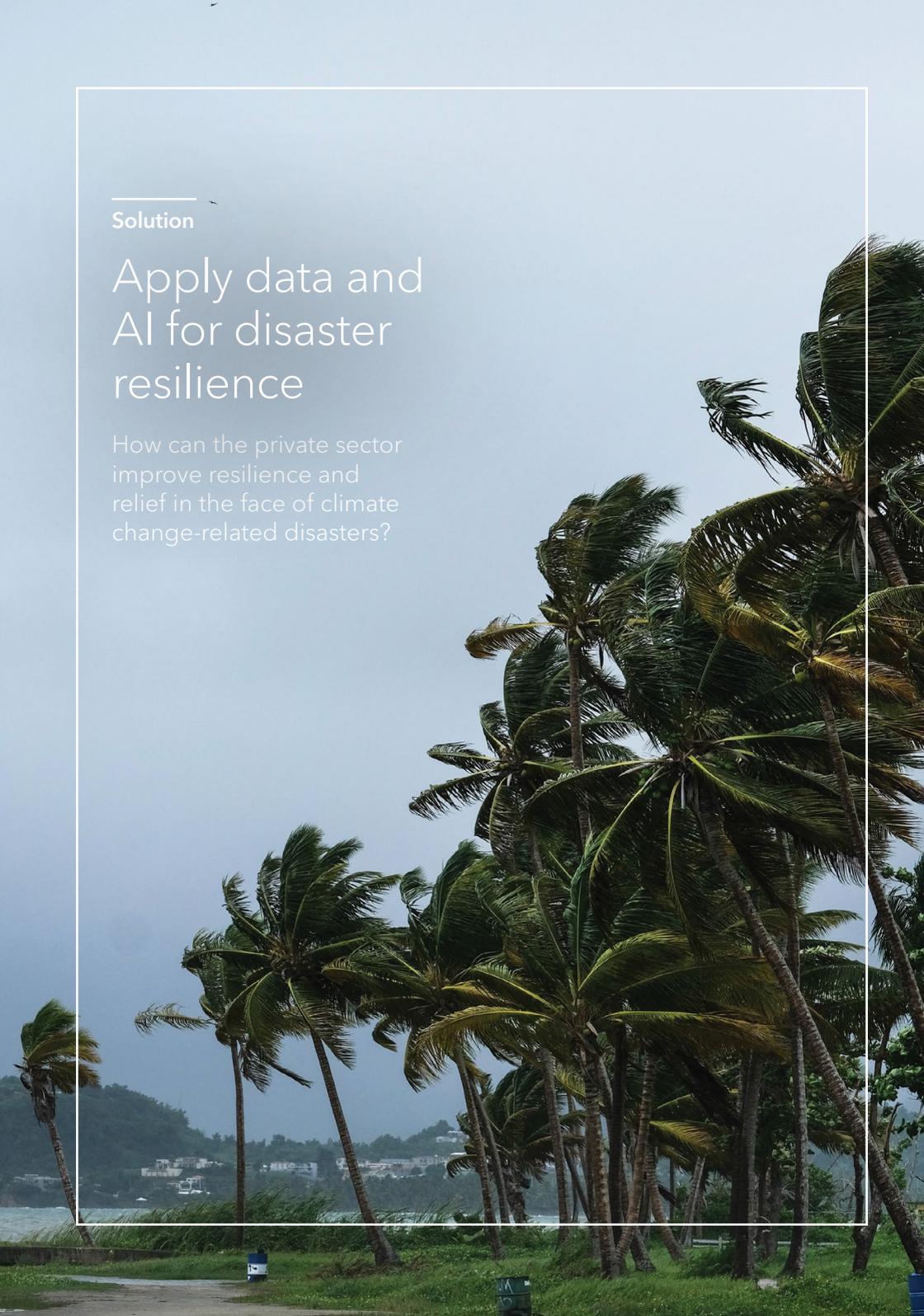
We are encouraged to know that over a dozen companies from the New Economy community are part of the Tent Partnership, including Citi, Goldman Sachs, Google, IBM, IKEA, Inditex, KPMG, LinkedIn, Mastercard, McKinsey & Company, Microsoft, PIMCO, and Salesforce. Each of these companies has identified unique opportunities in their workforces for refugees. In addition, Bloomberg itself is pleased to be joining the Tent Partnership, and is exploring how to support refugees through hiring and training and in our supply chain.

The private sector opportunity

There is more work to be done. Looking ahead, we will expand our work to collaborate with more companies to hire and integrate refugees into their workforces. We will continue to address this global crisis by encouraging the private sector to commit to action. We are looking for a commitment of 15 companies to join the Tent Partnership in 2020, so that thousands of refugees can find employment and transition to a more stable economic future.

Please contact us at solutions@neweconomyforum.com to learn more about the business case for integrating refugees and to take advantage of the Tent Partnership's research and resources.





Solution

Apply data and AI for disaster resilience

How can the private sector improve resilience and relief in the face of climate change-related disasters?

Solution: Apply data and AI for disaster resilience

Challenge

In recent decades, natural disasters have become more frequent and their effects more devastating.

3x as many natural disasters occurred in the 2000s

as in the 1980s

Natural disasters now cause

\$150 billion in annual damage. ^[2]

Climate change is increasing the severity of droughts and fueling more powerful storms.

The exponential growth of data and advanced analytics has created opportunities for improved disaster resilience and response.

Beyond their short-term impact in the form of casualties, stronger natural disasters can have far-ranging consequences, affecting the air we breathe, the water we drink, the food we eat, and the places we inhabit. Flooding can contaminate the water supply and destroy crops. Wildfires can spread harmful smoke for thousands of miles. We must be better prepared.

Having to manage expensive recovery efforts that sometimes take years, national governments and NGOs are struggling to respond. ^[3] Leveraging technology and talent, the private sector can do more to help.

New data and advanced analytics tools can meaningfully improve disaster resilience and response. For example, data from traffic, social media, telecommunications, and satellites can be applied to assess vulnerabilities before a disaster strikes and optimize resource allocation in its aftermath. Social media and telecommunications data can be used to make search-and-rescue operations faster and more efficient.

^[2] "Steady Increase in Climate Related Natural Disasters," Accuweather.com Nov. 2013

^[3] "Improving disaster recovery: lessons learned in the United States," Mckinsey.com. Jun. 2015

Beyond sharing data, private companies can also deploy data scientists and other experts in times of need. These experts could, for instance, interpret data and generate insights to help responders optimize their relief efforts.

Given these challenges, how can we leverage private sector resources to increase resilience and swift response in addressing natural disasters?



New Economy insights

Recent efforts to apply data to disaster response have made important strides, but full-scale solutions remain elusive.

This year, we worked with 2030Vision and McKinsey's Noble Intelligence initiative, which focuses on building AI use-cases for social good, to understand how the private sector can contribute to disaster resilience and relief efforts. 2030Vision is a group of organizations working to use technology to achieve the UN Sustainable Development Goals. 2030Vision partners include private data science and technology leaders, such as Facebook, Microsoft, and McKinsey, as well as NGOs, such as UNICEF, that deal with disasters.

Bloomberg, McKinsey, and 2030Vision held Solution Sessions in San Francisco and New York, bringing together 2030Vision members and other relevant leaders, such as Salesforce, Walmart, the UN Office for the Coordination of Humanitarian Affairs (OCHA), and the Internal Displacement Monitoring Centre (IDMC).

Through these workshops and additional working sessions, participants identified a strong need for coordinated and rapid sharing of disaster-relevant data and the development of data science and AI tools that would enable useful insights from that data.

Key barriers discussed include:

- Slow and opaque communication channels between private companies and disaster responders
- Limited infrastructure to manage and integrate data from different sources
- A dearth of data science talent to uncover useful insights

While many organizations are working to use data to address natural disasters, their efforts could be more coordinated. To address these coordination challenges, two participants from these workshops are exploring the establishment of a data-for-disasters initiative, which would connect experts and practitioners to streamline the application of data and data science-driven insights from disparate sources. The initiative's activities would include mapping private sector resources to the needs of disaster response organizations; facilitating data sharing through streamlined access management and legal processes; building AI and data science open-source tools to enable better insight generation, providing expert data science support for relief organizations; and building an interpersonal network among member organizations to streamline communication and foster innovative collaboration.

The private sector opportunity

When leading companies collaborate with governments and disaster resilience and relief organizations, we can dramatically reduce response times, improve effectiveness on the ground, and leverage predictive capabilities to better plan for disasters.

We invite companies to reach out to determine how we can best collaborate around data, AI, predictive modeling, and data science talent. Please reach out to solutions@neweconomyforum.com to set up time with our data and climate change resilience experts to get involved.



Solution

Enable sustainable supply chains

How can large buyers support suppliers in urgently reducing greenhouse emissions?

Solution: Enable sustainable supply chains

Challenge

Climate change is undeniable.

Our planet is getting warmer, severe natural disasters occur more frequently, and due to rising sea levels, scientists predict that by 2100 cities such as

Jakarta, Lagos, New Orleans, and Bangkok will be underwater.

In major industries, **more than 80% of greenhouse gas emissions are indirect.**

They come from companies' supply chains rather than direct company operations.

Beyond its human impact, climate change is creating serious challenges for companies. Consumers, investors, and governments are also pressuring the private sector to act. To continue doing business, companies must meaningfully improve their sustainability performance. Meaningful progress requires companies to go beyond their own operations. Dramatically curbing supplier emissions is thus crucial to avoiding climate catastrophe.

While major purchasers are uniquely equipped to influence their suppliers' business practices, progress has been far too slow. In a 2018 survey, only 35 percent of companies disclosing information on their supply chains even reported engaging with their suppliers on climate change.^[4] Most companies do not disclose comprehensive information on their supply chains at all.

While change is difficult—requiring a CEO-led sustainability agenda across all departments—bold leaders have shown that supply chain sustainability is possible. Innovative companies across a wide range of industries, from consumer goods to agriculture, are systematically identifying unsustainable practices and working with suppliers to address them.

How can we get companies to put supply chain sustainability at the top of the agenda?

^[4] McKinsey Global Institute, "Europe's Refugees: Refocusing on Integration," Briefing Note, May 2018

New Economy insights

Bloomberg collaborated with HSBC to identify and address barriers to sustainable supply chains. HSBC has committed to applying its expertise to make progress on a range of sustainability goals, including providing \$100B of sustainable financing by 2025 and sourcing 100% renewable electricity by 2030.

Together, we gathered interdisciplinary leaders in London for a workshop and conducted one-on-one working sessions with a range of leading companies to understand relevant obstacles. Participants in these conversations included large multinationals with extensive supply chains, such as AB InBev and Syngenta, as well as nonprofit organizations such as CDP, which supports corporate disclosure of environmental impact.

Consistent themes emerged on what it will take to accelerate private sector action:

Leadership from the top.

When sustainable supply chains are a priority for the C-suite, the entire company is empowered to act. For example, Walmart's leadership has made responsible sourcing a priority by placing more than 150 Responsible Sourcing associates around the world to assess risk, monitor supply chain conditions, provide

training and tools for suppliers and collaborate with stakeholders. Walmart's management has publicly committed to address major potential risks to the dignity of workers in a minimum of 10 retail supply chains by 2025; avoid one billion metric tons (a gigaton) of greenhouse gases from the global value chain by 2030; and enable suppliers to measure their performance against the Walmart Sustainability Index.

Supply chain transparency.

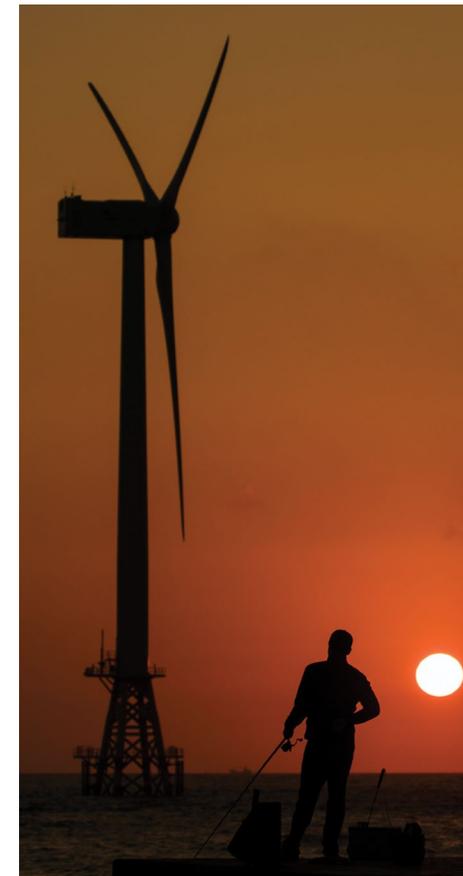
We can't manage what we can't measure. Leading companies set transparent goals and systematically identify opportunities for supply chain improvement, building trust with suppliers, customers, and employees. For example, Inditex has identified facilities and manufacturing processes by garment and conducts thousands of traceability audits per year, holding suppliers accountable for breaches (8 suppliers were blacklisted last year).

Supplier partnerships.

Working with suppliers and rewarding them for improvements can be remarkably effective. Hands-on collaboration helps suppliers build capacity for improvement. For example, Vodafone launched a Supplier Academy to help suppliers assess sustainability issues in their own supply chains.

Sustainability incentives.

Creating financial incentives for sustainability is crucial. Walmart works with HSBC to offer improved financing terms to suppliers who demonstrate progress on sustainability.



The private sector opportunity

In 2020, our goal is to translate these insights into action by:

- **Developing a CEO-level guide** designed to support CEOs in setting a company-wide sustainability agenda, with priority actions for each department
- **Sharing knowledge across industries** by highlighting case studies of New Economy community companies leading the way on sustainable supply chains
- **Securing commitments and tracking the community's progress** on sustainability improvements

As part of our efforts to further galvanize companies in prioritizing sustainability, we invite all delegates to contribute case studies and learnings. Those, in turn, will help shape our forthcoming CEO-level guide. Please reach out to solutions@neweconomyforum.com to set up time with our team.



Solution

Increase transparency in gender reporting

How can we better design our policies and practices to build an equitable workforce and world?

Solution: Increase transparency in gender reporting

Challenge

In the last few years, we have seen meaningful progress on gender equality in the workplace. More women have risen to the top levels of management, and companies are recognizing value of having a diverse leadership team. But women “continue to be underrepresented at every level.”^[5]

The challenge is complex, but many of the key obstacles have been identified: lower rates of promotion for women from entry-level roles to managerial ones, toxic work culture, and inflexible work arrangements.

Estimates suggest promoting and hiring women to managerial roles at the same rates as men would add

1 million women

in the United States alone to corporate management in the next five years.^[6]

Equality is also a massive business opportunity: achieving gender equality in labor markets could add as much as

\$28 trillion or 26% of global GDP

by 2025.^[7]

Given these opportunities, how can we ensure that women at all companies are empowered to achieve their full potential?

^[5]McKinsey & Company report, “Women in the Workplace, October 2019

^[6]Ibid

^[7]Ibid

New Economy insights

Despite recent advances in our knowledge of the gender equality challenge, clear and comprehensive data on gender disparities in major companies is lacking. For example, standardized data on how individual companies are fighting gender inequality is not available for most large companies.

Disclosing gender-related data benefits companies in two ways. First, disclosure helps companies address stakeholder demands. These range from reporting mandates and guidelines from governments, exchanges, and investors, to demands from asset owners and managers to incorporate Environmental, Social and Governance (ESG) factors into their investment decisions. Second, disclosure helps companies understand their performance against peers on measures of gender equality.

New Economy Solutions has worked with the Bloomberg Gender-Equality Index (GEI) to accelerate standardized, high-quality data reporting on how companies around the world are investing in women in the workplace, their supply chain, and the communities where they operate.

The Gender-Equality Index (GEI) provides organizations with a detailed framework which they can use to track and report gender data. Companies can use this framework internally, and external parties such as investors can see the data on the Bloomberg Terminal.

Already, more than 400 companies with \$9 trillion in combined market capitalization disclose comprehensive gender-related data using the framework.

Over the last few months, the New Economy has increased the Bloomberg Gender-Equality Index's reach to include 30 delegate companies. These companies have demonstrated their commitment to women's economic empowerment through transparent data disclosure, meant to advance women in their workplaces and communities.

The private sector opportunity

The New Economy community alone employs millions of workers. If we all commit to increasing gender parity, we can not only increase opportunities for women, but improve the workplace for all workers.

As we look to 2020 and beyond, we hope to build on this impact by increasing the number of companies in the New Economy community that adopt the Bloomberg Gender-Equality Index (GEI) Framework. Doing so demonstrates commitment to transparency around gender-related data.

Bloomberg will provide your company with the standardized reporting framework. For public companies, frameworks will be pre-populated with any information already disclosed in public filings. Once submitted, this data will be published on your investment profile on the Bloomberg Terminal. Companies are encouraged to report and show their commitment to transparency no matter their eligibility for inclusion in the index.

For any company submitting data for their Terminal profile, our Communications and Marketing teams provide your firm with a Reporting Seal to promote your commitment to gender equality and transparency.

Please email gei@bloomberg.net to learn more.





Solution

Prepare workers for the New Economy

How can we proactively reskill and train employees to shape the future of work?

Solution: Prepare workers for the New Economy

Challenge

Work faces what experts have called an “epochal transition.”^[8]

According to McKinsey Global Institute research, by 2030 up to

375 million workers

or about 14% of the global workforce, may need to switch job categories to sustain gainful employment.

Global forces, including automation, digitalization, and artificial intelligence, are disrupting the future of work. This is not a far-off problem: disruption is already underway.

While the world has tackled job transitions before, such as during the shift from agriculture to manufacturing in the early 20th century in North America and Europe, the speed of change is accelerating. This faster pace of change creates unique challenges. In previous transitions, which happened over decades, older workers could retire, and younger ones could choose growing industries. In the next ten years, however, tens of millions of workers in the middle of their careers will need to be retrained and redeployed.

Companies worldwide are beginning to recognize the magnitude of the problem. 82% of executives at large organizations believe retraining and reskilling must be “at least half” of the answer to addressing skills gaps.^[9] 66% of executives see addressing workforce skills gaps as a top 10 priority.

^[8] Adapted from McKinsey Global Institute report, “Jobs lost, jobs gained: What the future of work will mean for jobs, skills, and wages”, December 2017

^[9] McKinsey panel survey, November 2017 (n = 1,549), among organizations with >\$100 million annual revenue.

^[10] J. Kluve et al., “Do youth employment programs improve labor market outcomes? A quantitative review,” World Development, Vol. 114 (2019): 237-53.

Anticipating this challenge, reskilling programs have proliferated over the past decade. Unfortunately, they have generally struggled to show positive outcomes for employers. Only 30% of youth employment programs are successful and many demonstrate only marginal benefit.^[10]

How can we start thinking differently when it comes to preparing our workers for the future?

New Economy insights

In 2019, New Economy Solutions has commenced a collaboration with Generation, a training and workforce development organization. Generation is the largest organization of its kind by annual volume, having trained and supported employment for more than 30,000 graduates in 12 countries over the last five years, working with more than 3,100 employers. After participating in Generation's programs, learners see a 2-6x increase in income.^[11]

This summer, we hosted a Solution Session in Singapore to convene leading employers from industries at the forefront of reskilling, including healthcare, financial services, and technology.

Several important themes were raised:

- The reskilling of mid-career workers goes beyond training for in-demand jobs. These workers may face additional hurdles to securing employment, including unconscious age-driven bias by employers.
- While inclusive workplaces benefit all employees, specialized interventions can be especially helpful for some workers. For example, proactive outreach from younger managers, or onboarding "buddies," can benefit new employees.
- Reskilling mid-career workers for tech-enabled roles can sometimes benefit employers more than recruiting new college graduates. For example, retention rates are higher for mid-career workers than for recent graduates.

Building on these insights, we have tailored our approach to reskilling and we're working with Generation to serve new networks and actively train and secure employment for new workers.

The private sector opportunity

We invite the New Economy community to join this effort to shape the future of work by joining our effort to reach a target of employing 30,000 graduates a year.

Working with our teams and Generation, you can identify your company's workforce challenges, explore training programs tailored to your company's talent needs, and access high-quality candidates. Please reach out to solutions@neweconomyforum.com for more information.



^[11] Statistics from Generation.org

Solution

Accelerate the financial inclusion of underserved entrepreneurs

How can service providers harness technology to expand access and opportunity for small farmers?

Challenge

Nearly **2.7 billion people**

including many last-mile farmers, refugees, and other vulnerable populations in developing countries are excluded from the global economy.

Unable to prove their income and transaction histories, land ownership, or other vital facts about their lives and livelihoods, they lack an “economic identity.” As a result, they are unable to access important services crucial to escaping poverty and establishing stable livelihoods, including financing and insurance. Even those who can access these services often pay exorbitant fees.

Unfortunately, efforts to ensure the financial inclusion of these vulnerable populations tend to be scattered. Scalable solutions require a “digital ecosystem”—a combination of services that allow those on the margins to both prove their economic identities and access a robust set of tools and services to improve their earning potential.

Enabling this ecosystem is a difficult challenge, requiring coordinated efforts from multiple stakeholders, including companies with extensive

supply chains in developing countries, telecommunications players, financial institutions, service providers, and governments. But the benefits to financial inclusion are enormous.

Providing the world’s poorest residents with an economic identity can transform their economic and life prospects. But many other stakeholders would gain from digital financial inclusion. Companies would access new customers, find it easier to trace goods through supply chains, reduce fraud and abuse, and improve the efficiency of their operations, among other benefits. Governments would gain tax revenue by reducing “leakage” in public spending and tax collection. Research suggests that widespread use of digital finance could increase the GDPs of emerging economies by 6%, or \$3.7 trillion, by 2025, creating up to 95 million jobs.^[12]

Given the opportunity, how can we accelerate the digital financial inclusion of the world’s most underserved?

^[12] McKinsey Global Institute, “How digital finance could boost growth in emerging economies,” September 2016 report.



New Economy insights

In 2019, Bloomberg leveraged the New Economy community to understand and amplify ongoing financial inclusion initiatives by major companies.

We are collaborating with AB InBev on their bold and inspiring commitment to financially empower 100% of their direct farmers by 2025. By partnering with blockchain platform BanQu, AB InBev is lifting farmers out of poverty by increasing transparency and helping them secure an economic identity. BanQu's platform uses blockchain technology to record economic transactions, including crop sales, through a secure, immutable, and distributed ledger. This solution empowers smallholder farmers by giving them an economic identity and unlocking opportunity. With the right partners, this can grow into a broader digital ecosystem for the developing world that provides farmers access to vital services, and connects service providers to new customers who can help optimize their offerings. We will be announcing and inviting additional companies to get involved with new collaborations to expand access and opportunity for farmers in 2020 and beyond.

The private sector opportunity

Our goal for 2020 and beyond is to recruit additional partners from the New Economy community to support the ecosystem of services that AB InBev and BanQu are developing. We are especially focused on recruiting collaborators with one or more of the following capabilities: open-source application development, digital payments, network infrastructure, farm services that can be contracted and managed through the blockchain, and financial literacy training.

We welcome delegates to help build these innovative ecosystems. Please reach out to solutions@neweconomyforum.com to express your interest.



2020 Solutions

We also look forward to working on these important issues with the New Economy community throughout 2020. Please visit [bloomberg.com/solutions](https://www.bloomberg.com/solutions) to connect with our team and get involved:

- Advance smart cities
- Unlock inclusive trade
- Address physical climate risk
- Unleash agricultural productivity
- Shape next-generation digital public infrastructure
- Expand access to secure digital forms of identification

Thanks to our lead collaborators



And to our Knowledge Partner

McKinsey&Company

