

# Global Transformative Changes and The Role of Management Education Innovations

Bing XIANG, Ph.D.

Founding Dean | Professor of China Business and Globalization

[bxiang@ckgsb.edu.cn](mailto:bxiang@ckgsb.edu.cn)

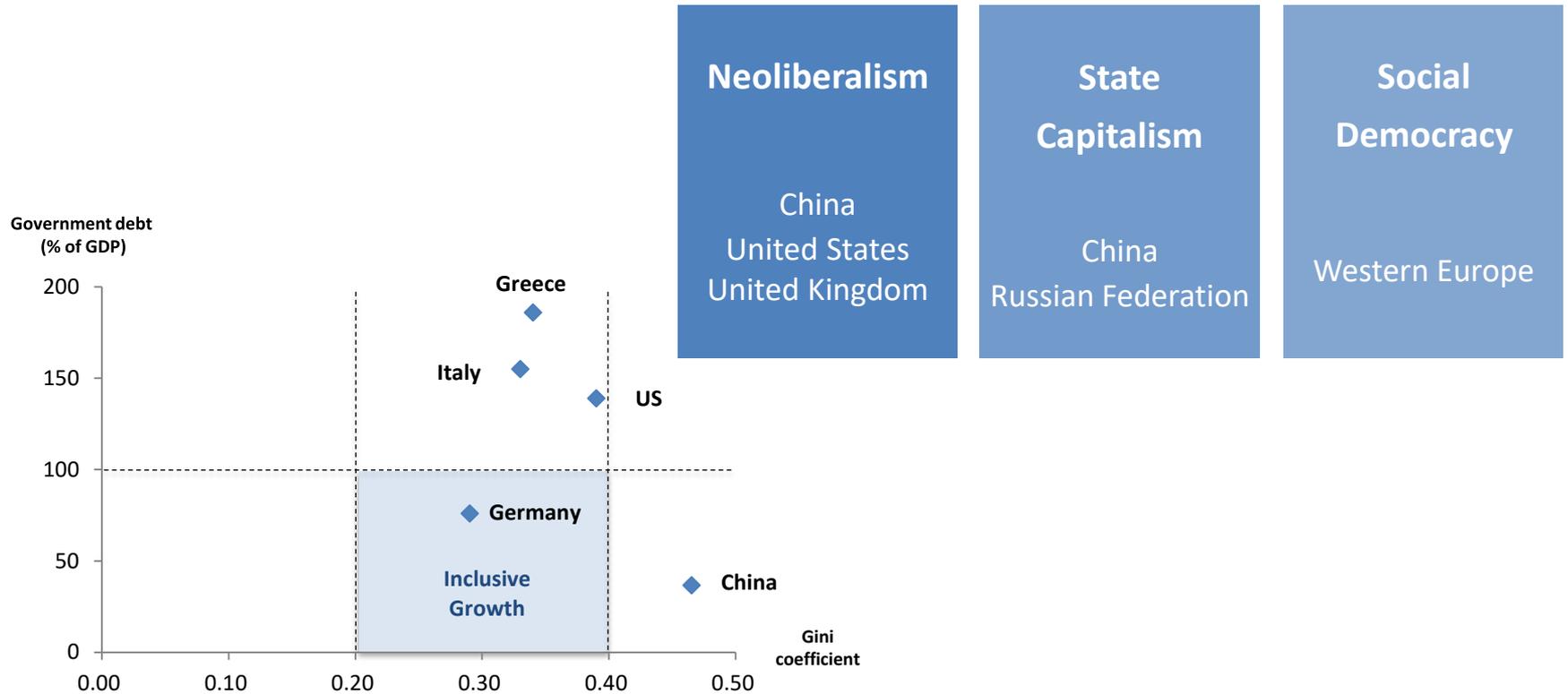
## Outline

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- I. Transformative Changes Reshaping the Global Landscape
- II. The Role of Management Education Innovations

# Transformations (1) A Classification of Development Models

## A Classification of Development Models



Note: The graph above uses data from 2016. The Gini coefficient of OECD countries is calculated based on household disposable income in a particular year. It consists of earnings, self-employment and capital income and public cash transfers; income taxes and social security contributions paid by households are deducted.

Source: OECD, National Bureau of Statistics of China, Ministry of Finance of China

# Transformations (1) Development Models: Neoliberalism

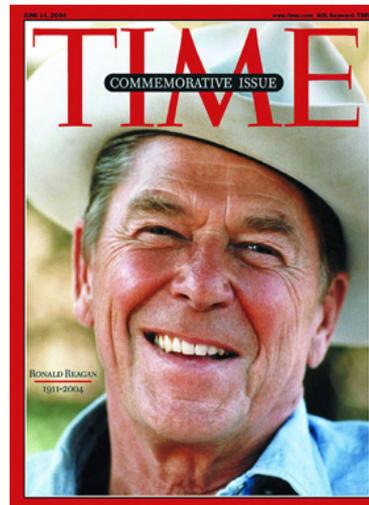
## Neoliberalism (1979-2008)



**Margaret Thatcher**

1925-2013

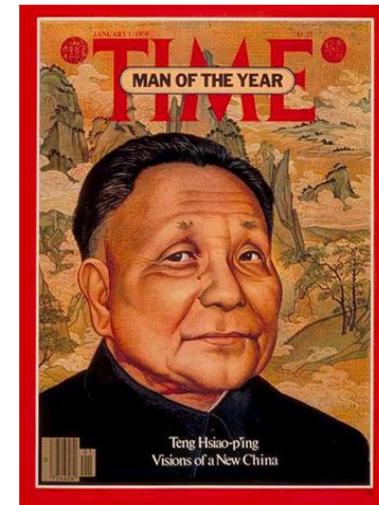
former Prime Minister of the UK  
(1979-1990)



**Ronald Reagan**

1911-2004

40th president of the USA  
(1981-1989)



**Deng Xiaoping**

1904-1997

architect of Reform and  
Opening-up policies

## Transformations (1) Development Models: Neoliberalism

### Neoliberalism (1979-2008)

- Neoliberalism, as initiated by Thatcher in 1979 and followed by Reagan in 1981, has fundamentally shaped China's Reform and Opening-up and helped create an unprecedented amount of wealth since the 1980s.
- China and the US may have embraced neoliberalism more fully than other economies.
- Both countries have enjoyed multiple sources of disruptions.
- They also display probably the most severe income and wealth inequality worldwide.
- China's new normal, Trump's winning of the US presidency, and Brexit can be considered as the beginning of the end of neoliberalism.
- Negative consequences of neoliberalism may be a key root cause for rising protectionism, unilateralism, populism, extremism and nationalism.

## Transformations (1) The Future of Development Models



### **What's next after Neoliberalism?**

- President Donald Trump
- Hillary Clinton
- Bernie Sanders
- Joe Biden
- ...

### **What's the US's newly defined role in global leadership and US-China relations?**



### **Social Democracy in danger ?**

- Competitive pressure from China and the US, two major neoliberalism economies
- Aging population and unsustainable sovereign debt
- Decreasing social mobility
- Limited disruptions and lack of ground-breaking innovations such as Amazon.com, Google and Uber
- Rise of protectionism, nationalism, extremism, populism and political fragmentation
- Can the rise of AI help save Social Democracy?
- ...

## Transformations (1) The Future of Development Models



### **A Combination of Neoliberalism and State Capitalism**

- Neoliberalism: Many sectors remain to be further deregulated, tax cuts (challenges of income and wealth inequality, diminishing social mobility and sustainable development)
- State Capitalism:
  - ✓ “We must see that the market plays the decisive role in resource allocation”(President Xi’s report to the 19th CPC National Congress)
  - ✓ Ecosystem of enterprises (family businesses, state-owned enterprises, and modern corporations like GE, HSBC, IBM and Siemens)
  - ✓ Lack of fair competition may hinder Chinese companies’ transition from imitation- to innovation-driven
  - ✓ The West’s concern over potential disruptions in global trade and investment system caused by state capitalism

## Transformations (1) The Fusion of Models and New Development Models

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**Combination and fusion of development models?**

**Need for and possibility of new models?**

**Better coordination and balancing of future development models?**

**To promote inclusive growth and sustainability and to improve social mobility.**

**“Harmony in Diversity”:** Diversity may be a prerequisite for harmony and a necessary condition for the advancement of civilizations.

# Transformations (2) Technological Advancement and Disruptions

Internet and Internet of Things (IOT)  
Big data, Cloud computing  
Blockchain, Fintech  
Artificial Intelligence (AI) and Robotics  
Virtual Reality (VR)  
Augmented Reality (AR)  
Industry 4.0  
Alternative energy  
New materials  
Life sciences  
Smart cities  
...



# An Era of Transformative Changes

There are multiple, ongoing transformative and disruptive changes: economic development models, technology, social systems, political systems and 'social contracts', global trade and investment systems, global governance, geopolitics, as well as climate change and models of sustainable development.

*"It was the best of times, it was the worst of times..."*

—Charles Dickens



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## CKGSB's Experiment (1) Expanding the Scope and Boundary of Business Schools

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- **Why to do business (value orientation of businesses)**
- **How to do business better**
- **Application of wealth**

## CKGSB's Experiment (2) Incorporating Humanity into Business Education

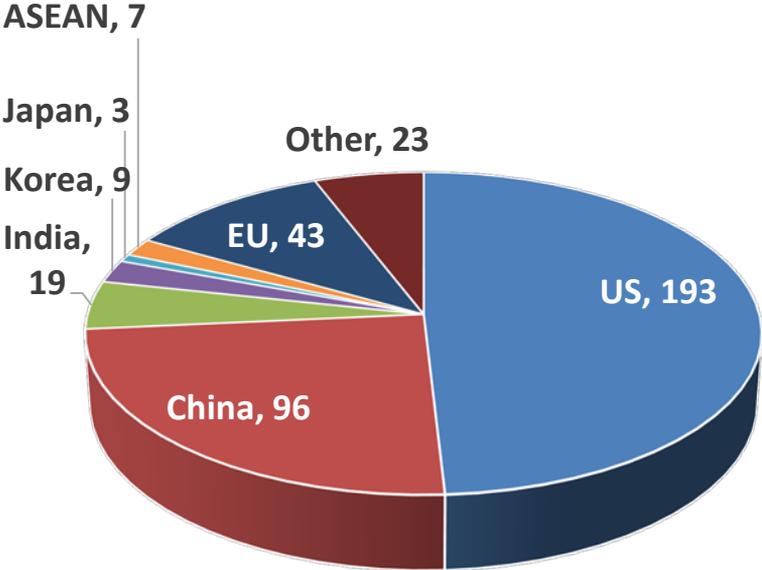
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- **Incorporating humanity (history, religion and philosophy) into business school curriculum since 2006 (maybe the first business school globally)**
- ✓ **Endowment of humanities is essential for good corporate conduct**
- ✓ **From rich life to enriched life and maybe enlightened life (if attainable)**
- ✓ **Compete and collaborate with compassion and empathy**
- ✓ **A genuinely long-term view (to mitigate collective myopia of humanity)**
- ✓ **A prerequisite for value connection and for promoting global responsibility**

- **Building a global ecosystem to foster next generation of disruptions that are economically, socially, environmentally, globally and long-termly beneficial**
- ✓ **Embracement of technological advances and disruptions, as well as business innovations**
- ✓ **Chuang Community in China: CKGSB-Tencent program, CKGSB-Baidu program, CKGSB-JD program started respectively in 2015, 2016, 2017; Star VC program commenced in 2019. The preeminent community for new generation of disruptions in China**
- ✓ **Global Network of Tech innovations: School of Engineering and Applied Science, Columbia University since 2016; College of Engineering, UC Berkley since 2017; and Churchill College, Cambridge University (to be offered in November 2019)**
- ✓ **Europe: “China Start” since 2016**
- ✓ **Programs to be offered for Korea, Japan and ASEAN...**
- ✓ **Programs for Latin America (partnership with INCAE, Ipade and FDC)**
- ✓ **...**

# China and the US Have Generated Most of Economic Disruptors

## Unicorns By Country/Region



Source: CB Insights, as of Aug 23 2019

## Top 10 Unicorns

Company	Valuation (\$B)	Country	Industry
Toutiao (Bytedance)	\$75	China	Artificial intelligence
Didi Chuxing	\$56	China	Auto & transportation
JUUL Labs	\$50	US	Consumer & retail
WeWork	\$47	US	Other
Airbnb	\$29.30	US	Travel
Stripe	\$22.50	US	Fintech
SpaceX	\$18.50	US	Other
Epic Games	\$15	US	Other
Grab	\$14.30	Singapore	Auto & transportation
DoorDash	\$12.60	US	Supply chain, logistics, & delivery

## CKGSB's Experiment (4) Emphasizing Social Innovations

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- **Emphasizing social innovations that enhance the collaborations among the government, business, NGOs, International organizations, civil society to address some of the most pressing social issues.**
- **CKGSB's experiments in this regard focus on three issues:**
  - ✓ **Income and wealth inequality**
  - ✓ **Diminishing social mobility**
  - ✓ **Climate change and sustainability**
- **6-day (48 hours) of “Social Work” has become required for our EMBA program since 2009.**
- **The module on “Social Innovations” has become required for all degree programs at CKGSB since 2018.**

# Thank You!

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