Special Address

'What Makes us Human? The Power and Privilege of Prosociality'
By Dr. Emiliana Simon-Thomas

What is Prosociality?	• Prosociality is the aspect of humanity that drives humans to be interested in the welfare of others. • The neuroscience of the brain is structured such that it expects access to social relationships that help to diminish effort needed for decision making purposes. For example, it is easier to overcome a challenge when in a group rather than as an individual. • What makes us human is the ability to act in a prosocial manner, where there is social connection, kindness, egalitarianism, cooperative communities, sacred values, and social compact with an aim to benefit everyone equally.
Challenges to Prosociality	• Individualism or profit-driven ideals may lead to inequality, which then creates distrust in a society, leaving open the tendency to be more corrupt and less egalitarian. • In a hierarchal society where socioeconomic status is highly appreciated, this fosters consumerism or materialism behaviour, which moves away prosocial tendencies. • Given that the human brain is inherently fallible and that human's prosocial behaviour has limits, artificial intelligence could help humans overcome its biases to create a more inclusive and compassionate society.
Prosociality in a Corporate Setting	• As people rise to power, they tend to emulate more prosocial skills and behaviours. However, once at the top, they no longer deem these skills necessary. This is the Power Paradox. • Compassion and gratitude are the two most important characteristics for corporate leaders to have, cultivating an environment where there is more potential for supporting connections such as DaVita's village.

Special Address

'Falling in Love with AI'
By Allon Reich

Art imitates life	• Many sci-fi movies have been written to reflect society's paranoia of AI progress potentially going awry. This from our lack of understanding of how AI works and how fast AI is progressing. • Ex-Machina was released in 2014, by which society has grown increasingly reliant on technology and AI in everyday life. • The AI character in Ex-Machina is the personification of our concerns about AI progress. It offers possible answers to what AI consciousness might mean for our interaction with AI.
Credibility of sci-fi movies	• Though fictional, Ex-Machina's Allon Reich ensured that there was rigour in their research to write a convincing and logical sci-fi plot. • The credibility of the plot explored in Ex-Machina required close collaboration between film-makers and experts. The production team was heavily engaged with robotics experts in the pre-production phase. • Despite being a low-budget film, Ex-Machina allocated most of their finances on visual effects for the AI character to further strengthen the credibility of the plot.
Ethics on AI development	• Ex-Machina explores the idea that AI can develop a sense of consciousness, where AI can communicate meaningfully with humans, as well as have emotions and imagination. • As we further develop AI, we must keep our ethical response in line with our scientific explorations. If we can programme "consciousness", we must be intentional in questioning our morality and ethics as humans.

MEGATRENDS

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TECHNOLOGY AND DIGITISATION: GOING TOGETHER TO GO FAR

The 13th edition of the Khazanah Megatrends Forum ("KMF") was brought to a close with a Closing Address by YB Datuk Seri, the Second Minister of Finance and a member of Khazanah Nasional's Board of Directors. With a speech that was insightful, thought-provoking and a clear call to action, Datuk Seri Johari called for a grand coalition of CEOs, entrepreneurs, teachers, politicians and all citizens to come together to realise the dreams and aspirations of Malaysia.

Datuk Seri Johari began his speech with an overview of various technologies shaping our world today. These technologies such as digital disruption, automation, the "sharing economy" and others have changed, in a wide variety of ways, the way we commute, socialise and travel. Besides these technologies, financial technology, or FinTech, is also disrupting businesses today due to its capacity to both digitise money and monetise data. Indeed, the point of FinTech was further elaborated upon, with Datuk Seri Johari making the case that FinTech, if it leverages on technologies such as Artificial Intelligence ("AI") and Blockhain, is a massive boon to SMEs as it provides access to more diverse funding options.

With all these game-changing technologies, Datuk Seri Johari then provided the economic case of digitisation for Malaysia. He argued that with the emergence of these technologies, the Malaysian economy

is set to undergo yet another phase of transformation to a digital economy that can be Malaysian's new economic 'forte'. At present, Malaysia's digital economy contributed to 17.8% of GDP in 2015, nearing the target of 18.2% by 2020; as such, the digital economy can therefore be a catalyst to increase Malaysia's GDP to RM2 trillion within the next seven to eight years.

Indeed, Malaysia is well-positioned to take advantage of these opportunities. To drive Malaysia's potential, the government has not been idle in driving digital policy efforts. These policies include creating a conducive environment that supports innovation, entrepreneurship and digitisation – ranging from direct funding of private enterprises, setting up organisations that function as incubators for entrepreneurs, to establishing special trade zones such as the Digital Free Trade Zone ("DFTZ").

In terms of preparing the rakyat for the future, Datuk Seri Johari called for a strong education system. This is being worked on via the Malaysian Education Blueprint with, for instance, coding being included in the national school syllabus beginning in 2018. In addition, the government has developed the entrepreneurship ecosystem via platforms such as Equity Crowdfunding, P2P lending and the Investment Account Platform. Bursa Malaysia had also recently launched the first-of-its-kind-in-ASEAN Leading Entrepreneur Accelerator Platform ("LEAP") market.

Finally, Datuk Seri Johari pointed out that while regulatory oversight was still required for a digital future, he implored the KMF participants to not view disruptive technologies as foe, but as a friend with whom humans could work closely with and rely on for decades to come. He then called for a Grand Coalition of CEOs, entrepreneurs, teachers and politicians (twice!) to come together to build a creative Malaysia, an innovative Malaysia, a sustainable Malaysia, and an inclusive Malaysia, inviting all participants to be part of the journey.

Special Address

'The Future of Work: Is This Time Different?'
By Dr. Carl Benedikt Frey

Technological impact on labour markets	• Despite removing most jobs that existed a hundred years ago, technological advancements have created a net increase in jobs over the last century.
	• Female labour force participation has skyrocketed as the invention of household appliances enabled them to enter the workforce.
	• Over time, technology advancements are resulting in increasingly cheaper substitutes for labour while performing a wider array of tasks.
The human comparative advantage	• Humans draw upon a large reserve of creative knowledge indefinable to robots. Ultimately, the distinction between creative and non-creative material is still made by humans.
	• People are superior in terms of complex social intelligence; Chatbots have yet to successfully convince judges of their humanistic characteristics.
	• Robots still lack physical dexterity as they struggle with the perception and manipulation of objects, which come naturally to humans.
Impact of automation on workforce	• Developing economies today face premature deindustrialisation. The manufacturing sector today yields fewer jobs as modern technology enables near shoring of factories.
	• The computer revolution is increasingly substituting, as opposed to complementing workers, resulting in wage growth lagging behind productivity growth, contributing to higher inequality.
	• Most mid-skill workers are shifting towards low-skill jobs as new jobs created by technology favour high-skilled workers.

Special Address

'Do We Really Live in a Post-Truth World? And If We Do, then How Do We Fix It?'
By Jimmy Wales

Wikipedia philosophy – Community driven, open source	• Wikipedia operates based on the radical idea that everyone should have free access to the sum of human knowledge.
	• While facts matter in Wikipedia entries, it is more than just writing articles – it is a system of knowledge collection.
	• Wikipedia empowers the community to hold each other accountable for editing entries.
Fake news is an issue	• The problem of fake news stems from the business models of news agencies. Reliance on advertisement as its main revenue source incentivises the publication of click bait articles.
	• Fake news can spread like wildfire, given social media such as Facebook, as it appeals to people's prejudices; some contain underlying political agendas to stir up societal fears.
	• Therefore, Wikipedia ensures the verifiability of sources to differentiate opinions from facts.
Wikitribune – An answer to broken news	• Was set up as a platform for journalists and communities to collaborate on evidence-based journalism.
	• Wikitribune will publish news based on facts that they can verify, be transparent with its sources and utilisation of its finances and most importantly, be advertisement-free.
	• While not everyone is a sophisticated news consumer, they still deserve unrestricted access to factual information, not lies.

Special Address

'Major Forces Transforming Banking'
By John McFarlane

Financial crisis changed the financial sector	• Major players in the banking sector have changed since the global financial crisis. The impact of the financial crisis is still present in the banking sector, exacerbated by political and economic uncertainties.
	• Banks overextended by undertaking too much risk, making them unviable. Many banks were induced to enter low capital lending and away from high capital lending.
	• Breach in conduct of behaviour by banks has led to regulation tightening, with significant fines imposed on non-compliant banks.
Digitalisation has impacted banking	• Digitalisation and FinTech have reduced the need for physical branches as the economy moves towards online and mobile banking. Bank branches will only perform complex transactions.
	• Technology companies may become major players in the financial sector with the boom in mobile payment platforms. However, banks will continue to supply capital.
	• Agile firms will threaten and out-compete firms that are complacent of digitalisation. New firms have the advantage of not having existing business models to build from.
Sustainable banks are driven by values	• Sustainable enterprises should make lasting contributions to the society and not just focused on short-term financial gains.
	• Banks should be governed by principles and not by rules. Firms governed purely by rules run the risk of not making non-material contributions to the wider society.
	• Banks planning for the future should embrace the vision of what they want to be but be clear of what they have today. This is key to embrace a future vision based on ethical and emotional foundations.

Book Launches

Three publications were launched at this year's Khazanah Megatrends Forum:

Rejuvenating the City Together by Think City – a book which talks about Think City's challenges, successes and shortcomings in managing its pilot public grant programme in the George Town UNESCO World Heritage Site.

Building Social Capital: The George Town Experiment by Khazanah Research Institute – a report which highlights the benefits of a Community Development Fund in alleviating the pressures of social displacement from top-down urban regeneration development.

Together: Finding Purpose at the Crossroads of Me+We by Alvin Ung – a book written by Khazanah Fellow and author of Barefoot Leadership, Alvin Ung, which brings together wise counsel, riveting stories – of 100 purpose-led leaders from 10 countries – and rigorous research that will help one finds his or her purpose.

The publications were launched by Minister of Finance II and Board Member of Khazanah Nasional Berhad, YB Datuk Seri Johari Abdul Ghani. Also present at the launch were Tan Sri Dato' Azman Hj. Mokhtar, Managing Director of Khazanah Nasional Berhad; Dato' Charon Mokhzani, Managing Director of Khazanah Research Institute; Jiv Sammanthan, Executive Director in Managing Director's Office, Khazanah Nasional Berhad; Hamdan Abdul Majeed, Executive Director of Think City; Dr. Suraya Ismail, Director of Research, Khazanah Research Institute; and Alvin Ung.

Day 2 Reflections by Tan Sri Dato' Azman Hj Mokhtar, Managing Director, Khazanah Nasional Berhad

Alhamdulillah, we have concluded another highly successful edition of the Khazanah Megatrends Forum ("KMF") with Day 2 of KMF doing great justice to a scintillating Day 1. By the end, I believe it became fairly clear that there is tremendous power in AI and machines, but this power ultimately needs to be subsidiary to being human.

This point was re-emphasised by the various sessions including Kent Thiry's Luncheon Address, where he spoke on the power of values in building a community first, company second. John McFarlane's address landed on the idea that sustainable banks are driven most of all by values. Emiliana Simon-Thomas, using her research in Neuroscience, highlighted the importance of pro-social skills in everyday life.

The People & Leadership panel took it a bit further, arguing that it is only through a values-based approach that humans and machines can come together to build a "Super-Intelligence." The other Core Session, Growth & Development highlighted AI threats such as jobs displacement and greater inequality, particularly in a world with slowing growth, an aging population, and weakening demand.

The discussion on jobs followed an insightful presentation by Carl Frey on the future of work, showing compelling evidence on how automation was impacting jobs and the labour market. Jimmy Wales' address on, essentially, a new open and inclusive way of journalism via WikiTribune highlighted a good way in which the Truth will out in a Post-Truth world.

Finally, I would like to thank YB Dato' Seri Johari Ghani, for delivering a Closing Address which rightfully called for a grand coalition of public, private, civil society, non-profit entities in driving technology forward. With this coalition, we can then move towards a solution to more machines, which is to be more human. Perhaps the answer to Cerebrum X Algorithm is Equilibrium.

Launch of Khazanah Nasional Entrepreneurship Outreach (KNEO)

Background of KNEO	• A major component of Khazanah's mandate is to help build capacity and develop human capital for the nation. • The Khazanah Nasional Entrepreneurship Outreach was launched at the closing of the Khazanah Megatrends Forum 2017 on 3rd October 2017 by Second Finance Minister Datuk Seri Johari Abdul Ghani. • Together with Khazanah, the 28-week KNEO programme will be run by three established Malaysian accelerators; 1337 Ventures, WatchTower & Friends, and Code Ar.my. Applications from the public can be sent in via www.khazanahneo.com.my from 3rd October 2017 to 27th November 2017.
Programme Objectives	• KNEO is an initiative to help unearth entrepreneurial talent among Malaysians, while equipping them with vital training and industry information via a series of bootcamp and accelerator programmes. • Selected teams will have to the opportunity to learn from renowned industry experts ranging from traditional business to highly scalable tech solutions to social enterprises; be mentored by corporate leaders from major companies and successful start-up founders; strengthen their business fundamentals, go-to-market and monetisation plans; as well as obtain lessons and insights.
Seed funding for deserving start-ups	• Upon selection to the Acceleration phase, each team will receive mobilisation funding of RM20,000 in exchange for a 2% stake in their start-up to be undertaken by Khazanah's accelerator partners. • The top three finalists on Demo Day will then be awarded RM30,000 each, with further access to credible and well-linked investors throughout Malaysia.

Luncheon Address

'Building True Value: Striving to be a Community First, and a Company Second'
By Kent J. Thiry

Community First, Company Second	• It should be recognised that there are forces which shape communities and healthy environments, where values are maintained and lived. The workplace should be a place where one can live, grow and feel safe. • An important step in implementing this is a change in perspective. Employees should be as 'teammates', rather than employees, while the company is seen as a 'village', a community that possesses a coherent culture that is transferable across all races and nationalities.
Core Values as a Key Component of Evaluation	• The issue of values is not belief, but practice. To this end, adherence to a company's core values should be assessed at every level of management. • It is healthy to confront performance reviews and not be dismissive about them, and this can be a very humbling and constructive experience for an employee. • The 'village' should honour its core values through communal activities, rituals and symbols which build deeper bonds between teammates or citizens.
Values and culture will determine future outcomes	• The healthcare model around the world is too hospital-centric. Advances in medical technology allow people to be diagnosed and receive consultations directly from their homes, reducing the cost of healthcare whilst improving its access and quality. • Performance moves in tandem with business cycles – It is found that employee scores can improve during bad times. This is where the 'village' values and network comes together, taking examples of how communities would behave when times are hard. • Making tough but necessary decisions are important in order to "protect the village for the long-term". Adversity is, in some ways, a friend because that is where people truly get to know one another.

CORE SESSION 3: GROWTH AND DEVELOPMENT
Artificial Intelligence: Enhancing Growth X Exacerbating Inequality?

Narratives of inequality and job displacement

- We should resist from romanticising jobs and de-link the relationship between jobs and human dignity because technology has improved the nature of work and will lead to a state of post-scarcity.
- However, the reality on the ground is that people care about jobs; job creation was an important issue during the 2017 Jakarta elections.
- In figuring out how best to deal with the negative effects of technological progress, a nuanced understanding of competing narratives is needed.

Socio-economic drivers of inequality and job displacement

- There are megatrends driving inequality and job displacement, besides technology, which depress the demand and supply sides of the economy – i.e. slow growth, rising indebtedness, and an ageing population.
- An approach that considers human rights need to be applied to development policy and emphasis placed on ensuring equality of opportunities instead of equality of outcomes.
- Awareness of megatrends and emphasis on human dignity must guide policy decisions as neither economics nor politics are independent of each other.

Technology and policymaking

- Advancement in fields such as data analytics aid policymakers to identify pressing societal issues and guide policy prescription.
- Failure of policymakers to adapt and utilise technology can make current political models irrelevant, as people can now crowdfund solutions to existing societal problems.
- The limitation of technological development to solve old problems, such as limited healthcare access, highlights that technology is merely a tool and that outcome is determined by policy.

CORE SESSION 4: PEOPLE AND LEADERSHIP
X Marks the Spot: What is the 'X' in 'Cerebrum X Algorithm'?

Qualities of good leadership

- Some argue that people look for clarity of purpose and vision from their leaders, while others emphasise that leaders ought to deliver on the expectations from community and society.
- Further, a good leader unites people from different backgrounds and fosters their development toward realising their true potential.

Tradeoff between efficiency, automation and jobs

- There should be a change in the way talents are valued. Rather than a framework that is purely based on income levels, leaders could utilise AI to re-create a new framework that rewards creativity and collaboration.
- It is important to enhance the mobility of employees as technology is adopted into a company, to mitigate the impacts of automation on human resources. Employees who performed mundane tasks should be re-educated to carry out more value-adding activities.

The singularity – for better or worse?

- The Bank of Palestine's FinTech company has helped the bank reach more clients, especially those in remote areas of the country – empowering a people that have been forced to deal with 'disruption' on a daily basis.
- The world needs to "wake up" to the reality of technology and artificial intelligence, where the latter has "stolen" people's happiness. For instance, social media is being used to fan the flames and to exploit ignorance and bias.
- Ultimately, it is up to the people to decide which course of action to take: to either build a utopian or dystopian future. Thus, technology and the companies that advance it may require regulatory oversight to mitigate its adverse consequences.