



## Background

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Almost half of the world's population, or three billion people, live on two dollars a day or less and the gap between the world's richest and poorest people has doubled in 40 years. In coming decades, the population of the developing world will outnumber the population of the industrialized world five-to-one. Consider what this means for companies and educational institutions worldwide.

There is an ambition gap between the energetic youth of China and India and the youth in Western nations who feel entitled to the good life. There is also a gap between the increasing number of scientists, engineers and technologists graduating in China and India, for example, and the shrinking pool of technical specialists winning their diplomas in the U.S. Increasingly, companies are exporting their technical work to overseas labor markets. But they are not outsourcing just to save on salaries. They are doing it in order to take advantage of the increasingly superior skills and productivity found in workers in other parts of the world. In fact, China is surpassing the U.S. as the largest recipient of direct foreign investment. Five countries – Japan, South Korea, Sweden, Finland and Israel – spend a greater percentage of their GDP on R&D than the U.S. This would have been unthinkable only a decade ago. And by 2015, China will be the number one provider of traditional IT services. India will continue to play a significant role, even though in 2008 the most likely source of outsourced labor will be China, Russia and Brazil. However, India will join a select group of countries with a trillion dollar economy and will be one of the top five economies in the world in nominal terms. Similar developments, even if less dramatic, are taking place in other parts of the developing world in Asia, Africa, the Caribbean, Latin America and the small island states.

While unfolding unevenly, globalization has overall been extremely beneficial for the world's economy. It has created millions of jobs, raised millions out of poverty and improved the quality of life in countries that once were considered incapable of contributing to the global economy. Instead of debating its merits, we can better spend our time learning how to thrive in it. To be considered "global", corporations and governments must navigate effectively between cultures, deploy new resources, serve new markets, and find new ways to connect and innovate. Above all, they will have to acquire and demonstrate a genuine understanding of, and respect for the world-view, knowledge and expertise of their global counterparts, and the

universality of genius, and of the global search for competitive excellence by all the peoples of the world.

We stand at the outset of the next phase of globalization. Global outsourcing is fast becoming one of the greatest organizational and industrial shifts in modern history. But globalization is not just about outsourcing. It is also about innovation and the geographical expansion of business to increase earnings. This strategy is actively pursued and institutionalized by many economies, including Singapore, Israel and the United Arab Emirates. For many, it is a question of survival and being relevant in the global context. The real power in a global world is knowledge. It turns out that besides IT and software development, knowledge and creative areas □ such as accounting, legal, and R&D □ can easily be outsourced to emerging markets. In the 21st century, successful organizations will focus on innovation and the creation of new core competencies. Globalization through mutual global outsourcing allows companies to break complex tasks into many small parts, outsource each part to whoever can do it most efficiently, and then combine all of the completed parts into the final product.

In view of this global transformation to a knowledge economy, responsible wealth owners can benefit from peer-to-peer interaction, sharing wealth creation, preservation and management ideas, collaborating on acquisitions or investments and focusing on global issues such as philanthropy and combating poverty. They can also, through fair, equitable, proactive and smart partnerships, help bring unique and equally strategic knowledgeable and expert minds (even if currently less endowed with material wealth) from the emerging world, into a common fold of one global partnership for knowledge and innovation. This is the formula mobilizing the common wealth of human knowledge, expertise and experience, for pushing the outer boundaries of the heritage and legacy of human society closer to the realization of its enormous potential, for the mutual benefit of all. Herein also lies the greatest hope for a genuine global peace, gilded by friendship, collaboration and goodwill amongst men and nations.

Our foundation believes that there is a vast national and worldwide potential for this kind of global, member-owned, private business club. So many people, from many different walks of life, find that joining a private global business club fulfills a need in their lives □ not only for investment opportunities, but for the knowledge that enables them to make significant contributions to human potential. For the U.S. and Europe to remain competitive and address sustainable global knowledge and innovation issues, it requires decision makers and investors who grasp the nuances of integrated technology-financial markets, and can create and execute winning business strategies based on a unique knowledge of the technology and scientific ecosystem.