Imperatives for Forward-looking Restructuring

Gongpil Choi

Data-based technology is permeating every aspect of our society, breaking down traditional industry boundaries and accelerating value creation in a super-connected environment. Accordingly, legacy hierarchical system and regulatory framework are continually being re-designed and revised to adapt to the new environment and embrace the transition shock. With all these data super-connected and ever-increasing, Big Data and AI are now shaping a new, exciting, and sometimes inscrutable future that is unimaginable in the “silo era.” As the only viable tool to lessen the newly created uncertainty, comprehensive data analysis and management is the key to creating innovative business opportunity, building social institution and infrastructure, and solving intractable problems in almost all areas. Now that we are upon the 5G world, Big Data and AI are the two most essential powers that we would not want to lose to be ahead of the competition.

Unfortunately, we have been so indolent preparing for this new chapter, and the existing system is fastly becoming irrelevant and beginning to emerge as hidden barriers to the progress. They were complacent, busy chasing habituated goals, and not aware of market trend and dynamics. The real problem is that the legacy system has sizable resources and can remain intact for some time. However, that is how they became more and more obsolete and distanced from reality. Moreover, we all know that limited perception is not the most successful bedrock for a far-reaching reform. Not one legacy institution would be willing to volunteer for an unverified risk, and moreover, our community lacks the social trust to let the system access and use the essential personal information and data in cutting-edge applications.

So here is our challenge: We need to infuse a future-oriented perspective in the restructuring scheme to overcome our internal constraints. In an increasingly interconnected world, where it is almost impossible to define and single out elements for non-performing entities, legacy practices of restructuring makes things worse by emphasizing forceful identification and separation of non-competitive components. Instead of rehashing and re-wiring for building inclusive growth paradigm for the future, current restructuring efforts mainly target endangered
entities to help protect vested interests.

Expectedly, corrective efforts based on existing criteria would result in changes in the wrong direction. In principle, restructuring should result in enhanced connectedness with various elements in a new setting via re-wiring that stretches over AR and VR, but the existing set of remedial practices contributes to diminutive reorganization. Deviating from old traditions is not easy because our legacy system and government organizations heavily depend on institution ratings and are strict to existing regulations. Realistically, even cognizant incumbents cannot take actions or allow potential entrants to move in a forward-looking manner. That is, they have very little elbow room to prepare for the real future. Even worse, supervisory regulation guidelines are inconsistent, and interpretations of related laws remain mostly ambiguous.

While it is evident that we need Big Data and AI for a prosperous future, relevant authorities are only after short-term achievements with less room for even small failures, if not mute and indifferent. Players who could turn the tide are virtually trapped in current time and space that prioritize the interests of the existing system. The viable future growth momentum is guarded and kept hidden under the golden straight-jacket. Inter-temporal, inter-regional issues cannot be discussed seriously because of the absence of relevant authorities with legal support. Nobody is willing to take risks associated with lowering existing barriers. It is certain that with the increasingly ambient super-connected environment, economic activity will mainly be carried out in an open platform which inheres the multifaceted feature of the digital market.

So to completely acknowledge its nature, we need to approach system restructuring with a corresponding perspective. We need to identify what disturbs value creation from various angles than to cling to conventional accounting standards. We also need to reflect voices from the future in applying rules for resource allocation. Designing rules of the game are pivotal to allow participants to act out of the box. Modeling a new mechanism design is indeed an obligatory cost, but at the same time, a worthwhile investment.

If we could internalize a little bit of the future when cracking problems, Big Data and AI will pretty much solve everything that has long been conundrums. In the end, future-oriented restructuring is not a write-off or downward adjustment, but a re-connecting process of virtual
space and IoT that leads to the expansion of opportunity to all people. New tools with AI will be useful in mediating the conflict between market and system from a long-term and holistic approach. Besides, especially in an aging society like our community, the human-robot ecosystem should well serve as great help and support. Where things are broken and detached, we need to create the AI-driven link to foster more open and inclusive eco-system instead.

In short, the government should strategically foster an eco-system where humans and robots integrate in a whole new manner. The renewed mandate does not imply that the authority is taking the center position on a center stage. Adhering to the role of making average voices heard loud and clear is a better role-setting to help foster balanced eco-system. The more we interact with the vast market tide, the more we become competitive and bring in market participation for inclusive growth for all.