



UNIVERSITY
of
GREENWICH

INTERNET FRAGMENTATION

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Introduction to the project

- 1. An analysis of the social and political effects of fragmentation**
- 2. An analysis of the effects of fragmentation on international trade through blockmodeling**
- 3. Internet Fragmentation and its influence on global trade through interpretive analysis**
- 4. Assessing the impact of Internet fragmentation on international business operations.**

Part 1: Social and Political Aspects

- * Internet Governance
- * Open and Free Internet and Censorship
- * Digital Divide and Inequality
- * Conclusion

Part 2:

An analysis of the effects of fragmentation on international trade through blockmodeling

- * A pilot study
- * Internet and international trade
- * How Internet affects trade

Group of countries according to trading



Conclusion and Limitations

- * Offline trade network is not affected negatively
- * Pilot study
- * Further developments regarding the tool
- * Issue of online trade data availability
- * Offline trade as a proxy (limitation)

Part 3:

Internet Fragmentation and Its Influence on Global Trade

- * Developed/developing countries
- * Preparedness of the countries for a possible fragmented Internet
- * Impact of the Internet fragmentation on global trade (online trade)

Part 4: International Business & Internet Fragmentation

Research Aims/Objectives

1. To identify the relationship between a company's typology and Internet fragmentation
2. To widen the scope of risk beyond 'location'
3. To explore the parent-subsidiary business relationship with respect to Internet fragmentation risk
4. To introduce a pilot framework for understanding fragmentation risk and business operations

Organisational Structures

(Bartlett and Ghoshal, 1989)

Typology	Attributes	Centralisation
International	Import/Export Oriented	Centralised only core Functions
Global	Invested in many countries Synchronised brand image Minimal local responsiveness	Centralised Functions
Multinational	Local Operations adopting their product to the local market	Decentralised Functionality
Transnational	Global Approach And efficiency	Global Approach (Most Decentralised)

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e-Friction Index

- Developed by BCG (2014)
- 65 countries analysed
- Results grouped into 5 categories based on a perceived level of 'e-Friction'
- Parent-subsidiary relationships and Internet fragmentation?

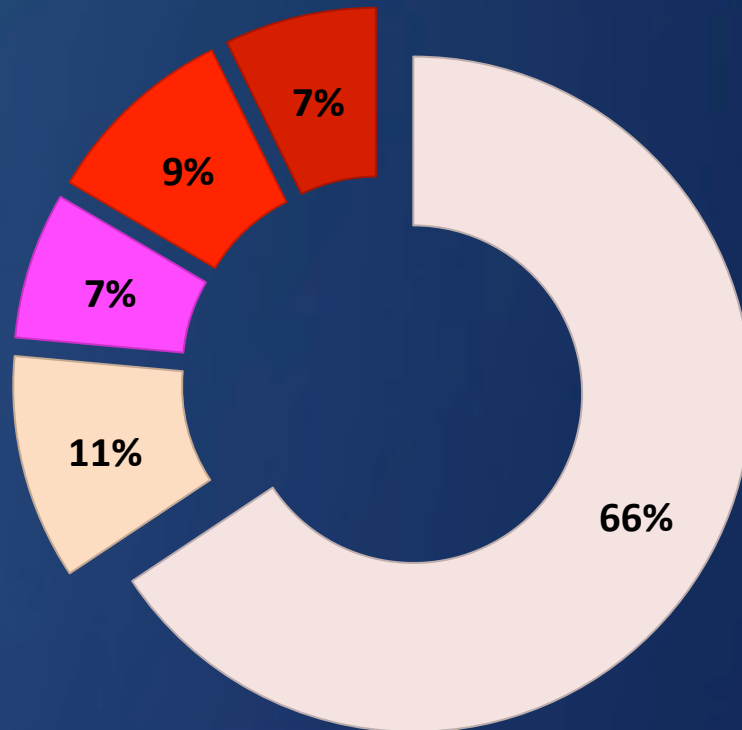
“Global” Companies - Table of Vulnerabilities

Company name	Industry	Core RISK	Industry WAVG	Location WAVG	Overall Risk
VODAFONE GROUP PUBLIC LIMITED COMPANY	Communication	5	4.652	1.795	11.447
AVIVA PLC	Finance & Insurance	5	4.132	1.635	10.767
J SAINSBURY PLC	Retail	5	3.625	0.955	9.58
BAE SYSTEMS PLC	Manufacturing	4	3.874	1.213	9.087
ROYAL DUTCH SHELL PLC	Mining	2	3.817	1.512	7.329

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Vodafone (Global) Location-Based Risk (e-Friction)



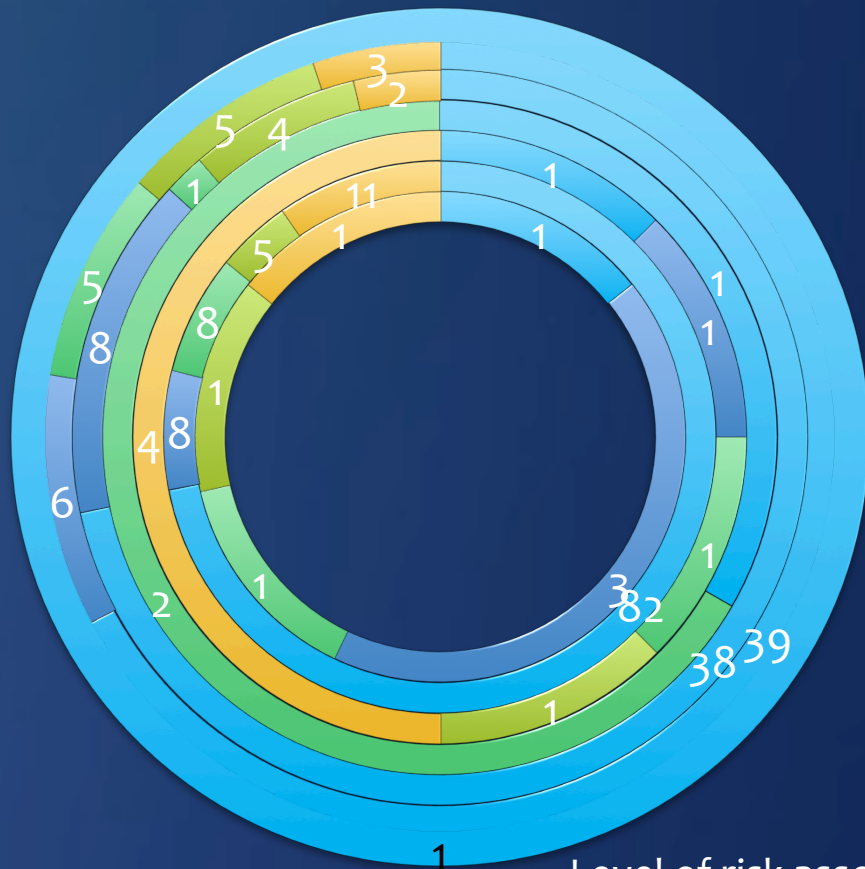
- 77% of subsidiaries of Vodafone are located in low “e-friction” countries.
- 16% in higher “e-friction”

Level of Risk associated with location of subsidiaries:

■ Low ■ Low-Med ■ Medium ■ Med-High ■ High

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Vodafone – Industry Location Composite



■ Low
 ■ Low-Med
 ■ Medium
 ■ Med-High
 ■ High

Level of Friction	Industry Classifications							% on location
	3	4	5	6	7	8	9	
1	1	82	1	1	38	39	1	67%
2	3	8	1		8	6		11%
3	1	8	1	2	1	5		7%
4	1	5	1		4	5		7%
5	1	11	4		2	3		9%
Total number of subsidiaries	7	114	8	3	53	58	1	244

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Conclusion

- ❖ Multinational Companies
- ❖ Country Preparedness and Political Discourse
- ❖ Simulation of Global Trade
- ❖ The Future of the Multistakeholder Model

A blue-tinted image of Earth from space. The Earth's surface is visible, showing clouds and landmasses. A bright light source, likely the sun, is positioned on the horizon, creating a lens flare effect. The background is a dark space filled with numerous stars.

Questions & Comments