

How Davos is Moving the World's Leaders into the Future

Written by Chrisella Sagers, Managing Editor
Friday, 20 January 2012 20:20



The world as we know it is fundamentally changing. As globalization picks up pace, sending ideas and products across the globe at lightning speed, the political, social, and economic models that have shaped our world for the past century are failing. The year 2011 will go down in the history books as a year of revolutions and riots, alongside other such red-letter years as 1789, 1848, 1868, 1911, and 1968.

These times of great upheaval all had a common, underlying thread: a massive societal paradigm shift to which established socio-economic structures failed to adapt. The Enlightenment, the Industrial Revolution, the urbanization of western society, the Napoleonic Wars, the American labor movement, the Vietnam War—all movements in which a new philosophical model of politics or economy began to grip people's lives and clash with the old establishment. These times of upheaval were also marked by another phenomenon: economic panics, depressions, and crises, as the economy and social structure struggled to adapt to the new paradigms and demands shaping the markets.

Today's upheavals can be attributed to the restructuring of our global society in the midst of the Information Revolution and Information Economy. Social media, mobile technologies, and the vast flows of information available on the Internet are radically reshaping the way we live our lives, and the new paradigm of open information, constant connectivity, and a public space truly open to all is clashing with old socio-economic models of top-down information, sequestration, and exclusivity.

Except, this time, the transformation is happening simultaneously all around the world, as globalization brings new ideas to all corners of the earth at nearly the same time. From the Arab Spring to the Tea Party, and the Occupy movement to the collapse of the Eurozone and U.S. economy, all of the upheavals are similar to the ones of past paradigm shifts, yet with a much stronger global reverberation through the information networks that tie our world together.

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So far, global leaders have only responded by reacting to individual clashes as they arise, without ever addressing the root cause. They have constantly been two steps behind the sea change.

That may be changing at Davos.

The World Economic Forum holds its annual meeting with a dedicated mission of addressing the future of the world and improving it, in Davos, Switzerland each January. With hundreds of side events hosting academics, religious leaders, and politicians alike, it is no wonder that some of the world's most influential ideas have emerged from the five-day summit.

Since 2008, the dialogue at Davos has been dominated by crisis containment of the various political, economic, and financial challenges the world has faced. This year however, leaders plan to regain control of the discourse and look to the future with the declared theme, "The Great Transformation: Shaping New Models."

World Economic Forum founder, Professor Klaus Schwab, in an introductory statement to the summit, laid out four areas in which the global order is changing dramatically and could be points of conflict.

The first of his points is that the international political structure, based on the concept of sovereign statehood since 1648 when the Peace of Westphalia was signed, is failing to account for a multitude of non-state actors. These groups are increasingly empowered by the voice they have found through mobile technology and the Internet and have more ability than ever before to accomplish their goals regardless of national boundaries. Failing to find a way to incorporate the voices of these groups into the global discourse and decision-making process will lead only to conflict, as disenfranchised groups turn to violence and terrorism to gain attention on the international stage and bring legitimacy to their ideas. Professor Schwab suggests that rather than "hard power" or "soft power," what he terms "collaborative power" will be needed to integrate these newcomers into a global arena that previously only gave credence to states or the organizations states participate in.

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The second point is the social impact of globalization and the new wave of technological innovation. If you think about your life 10 years ago, technology has changed every little habit. Email drew the world together, and mobile technology kept us constantly connected to that email account. Facebook and Twitter have revolutionized the way we consume news, from the hyperlocal to the global scale; so many people learned about the death of Osama bin Laden on one of those platforms that it became the primary source of several news articles in the following days. The globalization of ideas could be a huge opportunity for improving the world, but if this trend is fought, as it was during the Egyptian revolution of 2011, the whole thing could explode.

His third area of attention is the increased interaction between different religions, ethnicities, and cultures in an increasingly connected world. To take an approach such as Samuel Huntington's Clash of Civilizations will merely increase antagonism; rather, we need to search for more ways to cooperate, because focusing on what divides the world will only lead to further schisms.

The fourth area of change is the very model of economics and growth that the capitalistic world focuses on today. Rather than a world that operates from a basis of capital and investment, he argues that the economy should begin to prioritize ideas and talent, moving from capitalism to "talentism." Professor Schwab writes, "The key to mitigating a catastrophic situation is to provide young people with the capability to create their own jobs: to move from the pure concept of unemployment to the concept of micro-entrepreneurship."

The world is in a state of upheaval. It will not last forever, but the faster we recognize that the old models that we have operated under are passing, the sooner the world will be able to optimize the new models and new opportunities that have been presented to us. Unlike ever before in human history, we have the chance to create a global society that leaves behind divisive labels and focuses on talent and ideas. There will always be conflict, and there will always be new ways of bringing about that conflict; however, as more voices are brought into the discourse, the world has a chance to see new and innovative ideas bring about solutions for which humans have been searching for generations. The leaders of the world gathering in snowy Davos this January must recognize the changes that face the world, and be willing to give the future their full attention, leaving behind the old models of the past.

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