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Issue Brief

World Economic Forum 2017: Outcomes of Davos

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The World Economic Forum held at Davos every January brings together leaders from all over the world to address and exchange views in its annual flagship event. Leaders from various countries discuss the shared challenges and how to deal with them. The theme for the January 2017 event was "Responsive and Responsible Leadership". The 2017 Davos meeting centred around several issues, and most importantly, the need to address the threat of weapons of mass destruction (WMD), according to surveys held by the World Economic Forum. In a report that accompanied the survey results, the World Economic Forum concluded that a rise of nationalism and a lack of cooperation among world powers was raising the risks of global conflicts.

Even in previous years, weapons of mass destruction have come up as a concern before as well. However, they have never ranked as the biggest supposed risk in terms of potential impact in the immediate year about which the world leaders were surveyed. In 2016, WMDs were the second biggest concern of world leaders, behind climate change. Nonetheless, climate change remains a major concern. Of the top five worries of global leaders, the other four are related to climate change. Among those, extreme weather conditions was the number one concern, followed by water crisis, major natural disasters, and the failure of climate change efforts to make a difference. Apart from these issues, wealth redistribution was also discussed, however, the way to go about it differed significantly. The Brexit vote, Donald Trump's election, and rising nationalist sentiments from China to Russia put income inequality higher on the "Davos" agenda than normal. Christine Lagarde, the chief of the International Monetary Fund, called openly for a redistribution. "It's an opportune time to put in place the policies we know help," she said. "When you have a real crisis, what kind of measures do we take to reduce inequality? It probably means more redistribution." Moreover, Christine Lagarde stressed on the fact that "growth will not be sustainable if it is not inclusive". It followed her earlier warning that "if policy makers don't get it now, I don't know when they will." ¹

However, it may be noted that many have also labelled the World Economic Forum at Davos as a talking shop only, without any purpose or solution oriented outcomes. The reason behind this assertion is that there is finally no agenda or action points drawn up as most of these discussions are informal and do not have political endorsement. It is also being said that Davos in 2017 is also just another get together of great leaders, without any meaningful purpose. Two developments, namely Brexit and also Donald Trump's victory have made most of these discussions insignificant since the edifice of globalization has been questioned by these two developments. These developments have resulted in a somewhat

changed way of thinking as countries would like to protect their own territory while dealing with either labour or goods, while seeking maximum advantage. The reasons behind this change have been the definite slowdown in the world economy, which has affected the developed countries more than the emerging markets, and have made them realise that almost all arrangements at globalisation have meant that the larger country helps the others develop while receiving proportionately not as much in return. This meeting of the World Economic Forum at Davos was held at a time when the world seems to be losing hope as far as globalisation is concerned.

Notes and References

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- ¹ "Davos Leaders agree: share more wealth, or face the consequences"
<https://www.weforum.org/agenda/2017/01/davos-leaders-agree-we-should-share-more-of-the-worlds-wealth-or-face-the-populist-consequences/>