

Global Agenda

World Economic Forum Annual Meeting 2018

Creating a Shared Future in a Fractured World

Davos-Klosters, Switzerland 23-26 January



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REF 060218



Preface



Klaus Schwab
Founder and
Executive
Chairman
World Economic
Forum



W. Lee Howell
Managing
Director, Head
of Global
Programming

More than 3,000 leaders from over 100 countries came together to focus on finding ways to reaffirm international cooperation on crucial shared interests, such as the environment, the global economy and international security in the spirit of the theme of the 48th Annual Meeting, Creating a Shared Future in a Fractured World. This report summarizes some of the insights from more than 400 sessions in the official programme, as well as outcomes from over 200 working sessions organized by Forum communities.

The Annual Meeting was truly a “summit of summits” with unprecedented participation from government leaders including nearly 70 heads of state or government and more than 30 heads of major international organizations. It notably began with an opening address by Narendra Modi, Prime Minister of India and closed with a special address from Donald Trump, President of the United States of America. Close to 2,000 leaders from industry were also joined by over 800 of their peers from academia, civil society, faith-based and religious groups, labour organizations, the media, the arts and the world of social entrepreneurship.

Twenty one percent of participants this year were women; the highest proportion ever recorded at any Forum Annual Meeting. In this regard, the Forum continues to work throughout the year to highlight the gender gap and develop strategies to help women achieve positions of senior leadership. Its efforts benefitted greatly from an exceptional cohort of Co-Chairs at the meeting, who represented the pinnacle of accomplishment across academia, business, civil society and government. They included: Sharan Burrow, General Secretary, International Trade Union Confederation (ITUC), Belgium; Fabiola Gianotti, Director-General, European Organization for Nuclear Research (CERN), Geneva; Isabelle Kocher, Chief Executive Officer, ENGIE, France; Christine Lagarde, Managing Director, International Monetary Fund (IMF), Washington DC; Ginni Rometty, Chairman, President and Chief Executive Officer, IBM Corporation, USA; Chetna Sinha, Founder and Chair, Mann Deshi Foundation, India; and Erna Solberg, Prime Minister of Norway. The diversity at the Annual Meeting also extended beyond gender and geography to include the younger generation. Fifty members of the Forum’s Global Shaper community, aged between 20 and 30, as well as 80 Young Global Leaders under the age of 40, actively participated in all sessions.

We hope this report stimulates further thinking on how to create a shared future for all. We gratefully acknowledge our Partners, Members and participants, as well as the Meeting’s Co-Chairs, for their leadership and guidance throughout the event. With their support, the Annual Meeting also achieved a key milestone with its independent certification as meeting the international standard for sustainable event management, ISO 20121.

On behalf of the Managing Board, we thank you for carrying on the spirit of Davos as we work together in the coming year.

Our Co-Chairs



Sharan Burrow
General Secretary, International Trade Union Confederation (ITUC), Brussels



Fabiola Gianotti
Director-General, European Organization for Nuclear Research (CERN), Geneva



Isabelle Kocher
Chief Executive Officer, ENGIE, France; International Business Council



Christine Lagarde
Managing Director, International Monetary Fund (IMF), Washington DC; Member of Board of Trustees of the World Economic Forum



Ginni Rometty
Chairman, President and Chief Executive Officer, IBM Corporation, USA; International Business Council



Chetna Sinha
Founder and Chair, Mann Deshi Foundation, India; Schwab Foundation Social Entrepreneur



Erna Solberg
Prime Minister of Norway

Public Engagement with the World Economic Forum Annual Meeting

The World Economic Forum reaches hundreds of millions of people with stories about complex global issues

225,000 stories about the World Economic Forum appeared in the global press during January 2018, over **25% more** than 2017

6 million individual unique visitors to the World Economic Forum's website during the week of Davos

The world's most influential people shared World Economic Forum content on their social media channels – including French President **Emmanuel Macron**, UK Prime Minister **Theresa May**, German Chancellor **Angela Merkel**, Indian Prime Minister **Narendra Modi**, Canadian Prime Minister **Justin Trudeau**, and US President **Donald Trump**. The combined potential reach of all the accounts who shared Forum content is over **1 billion**.

During the week of Davos, more than **33 million** minutes of Forum-produced video were watched by members of the global public, over **50 million** individual video streams.

Over **150** Davos participants answered a direct question from the global public, posted to Instagram using the #sharedfutures tag

21 million views of over 200 sessions streamed from our website, on Facebook, and Twitter in 6 languages

Highlights and key outcomes of the Annual Meeting

Mending our fractured world

Justin Trudeau, Prime Minister of Canada, announced that Canada will double its commitment to the Global Partnership for Education Fund, providing an extra \$180 million to the fund between 2018 and 2020.

Alexis Tsipras, Prime Minister of Greece, and **Zoran Zaev**, Prime Minister of the former Yugoslav Republic of Macedonia, held the first meeting at prime-minister level for seven years. The discussion led to a framework being agreed to intensify the negotiations on an end to the naming dispute, which is being presided over by the UN.

In addition to the West Balkans, the Forum's series of Diplomacy Dialogues has committed to supplementing ongoing multilateral efforts in the **Korean Peninsula**, **Venezuela**, **sub-Saharan Africa** and **Somalia**.

Looking to the Middle East and North Africa region, a Forum community of **Israeli** and **Palestinian** business leaders met at the Annual Meeting to renew their commitment to the two-state solution and pledge their support to strengthening the Palestinian economy given the opportunity of the Fourth Industrial Revolution.

In the same region, the Forum also formed a new community of businesspeople who have committed to advise and support **Haider Al Abadi**, Prime Minister of Iraq, on the reconstruction of the country.

Denmark became the first European country to partner with the World Economic Forum. The scope of the agreement will see Denmark collaborate closely with the Forum in a number of areas, including promoting green growth, trade and education, gender and work. Denmark will also partner with the Forum's Center for the Fourth Industrial Revolution in San Francisco as it works to design governance principles to shape the technologies of the future.

Closing the Gender Gap: Peru became the fourth country in Latin America to adopt the Forum's Closing the Gender Gap model, following earlier adoption in Chile, Argentina and Panama. Five additional countries are considering adoption over the course of 2018.

Bridging the digital divide: Mercedes Aráoz, Prime Minister of Peru, announced plans to launch an Internet for All programme in 2018.

Taking on fake news: A new joint venture funded by the Craig Newmark Foundation in collaboration with the World Economic Forum was launched. Bringing internet platform giants together with multistakeholder leaders, the initiative will be developed further through 2018. Meanwhile, a joint venture launched by Internews in collaboration with the Forum aimed to promote high-quality local news and information.

Systems leadership

Preparing workers for the future: A Forum report published during the meeting, Towards a Reskilling Revolution, provides the guidance needed to find new, gainful employment for the millions of workers expected to lose their jobs due to technological change. Separately, the Forum announced two initiatives that will have a direct impact on workers: Closing the Skills Gap, a global, business-led scheme that aims to deliver new skills to 10 million workers by 2020; and the IT Industry Skills Initiative, whose SkillSET portal aims to reach 1 million IT workers by 2021.

Safeguarding our oceans: A new multistakeholder initiative, the Friends of Ocean Action initiative, was launched with the aim of delivering an "Ocean Action Track" to protect and conserve oceans, seas and marine resources. The partnership was announced by Isabella Lövin, Deputy Prime Minister of Sweden; and Peter Thomson, UN Special Envoy for the Ocean. Marc Benioff, Founder and Chairman of Salesforce.com, announced \$4.5 million in funding through the Benioff Ocean Initiative to support the new initiative.

Making meat sustainable: A new Forum initiative, Meat: The Future will identify ways to transform the future of meat and protein production to deliver safe, affordable and sustainable protein in the face of rapidly growing global demand.

Tackling waste and pollution: Leaders from some of the world's largest companies, such as Alphabet, The Coca Cola Company, Royal Philips and Unilever, teamed up with the governments of Indonesia, Nigeria, the People's Republic of China and Rwanda and international organizations to form the Platform for Accelerating the Circular Economy (PACE). The platform aims to tackle issues including electronic waste and plastics pollution by going beyond the 9% of waste that is currently cycled back into the economy after use.

Unlocking nature's value: A new plan was announced to mimic the success of the human genome map by sequencing the DNA of all life on earth. Under the auspices of the Forum's Fourth Industrial Revolution for the Earth initiative, two projects, the Earth Bio-Genome Project (EBP) and the Earth Bank of Codes will, if successful, help avert extinction as well as tackle bio-piracy and habitat loss by unlocking value from nature's biological and biomimetic assets.

Secure air travel: The Forum was joined by the Government of Canada in launching a Known Traveller Digital Identity prototype to test emerging technologies such as biometrics and distributed ledger technologies that could facilitate more secure and seamless air travel.



Advancing the Fourth Industrial Revolution

Governing the Fourth Industrial Revolution: The Forum's Center for the Fourth Industrial Revolution, which opened in March 2017, expanded with a number of new partnerships. New centres will be added to the network in India, Japan and the United Arab Emirates. Additionally, Bahrain, Denmark, the Inter-American Development Bank and the United Kingdom joined as partners alongside Deutsche Bank, Dubai Electricity and Water Authority and GAVI, the Vaccine Alliance.

Tackling the cyber threat: In response to the fastest-emerging global risk of our times, the Forum announced the launch of a Global Centre for Cybersecurity, a multistakeholder platform aimed at creating a safe operating environment for new technologies like artificial intelligence, robotics, drones, autonomous vehicles and the internet of things.

Accelerating innovation: The Forum launched its UpLink initiative as a platform to connect start-ups with multinational businesses, investors, universities, governments and other investors. To kick-off the platform, a collaboration with the International Finance Corporation (IFC) will see 50 outstanding start-ups from Latin America invited to participate at the World Economic Forum on Latin America in Brazil in March.

Rwanda: The Government of Rwanda became the first country to adopt performance-based regulation for all drones following a collaboration with the Forum's Center for the Fourth Industrial Revolution. The new approach is aimed at simplifying procedures to encourage faster adoption of drone technology and greater deployment of drones for innovative uses.

Ethical science: The Forum's community of Young Scientists launched an interdisciplinary Code of Ethics for Researchers aimed at safeguarding high standards of behaviour and clarifying social norms to allow scientists to operate independently.

The Government of **Saudi Arabia** signed a Letter of Intent to partner with the World Economic Forum. The scope of the agreement covers the Forum's System Initiatives, the Global Centre for Cybersecurity and the Center for the Fourth Industrial Revolution.



On the Forum's platform for Public-Private Cooperation

Developing antibiotics: Netherlands-based Access to Medicine Foundation published the world's first antimicrobial infection benchmark, which encourages greater research and development for new-generation antibiotics.

Mental health: CitiesRise, an initiative aimed at improving provision for affordable mental health support for young people, was launched with the support of public- and private-sector leaders in Kenya, Lebanon, Colombia, the United States and India, and supported by Philips, the World Health Organization, the World Bank and Harvard University. CitiesRise aims to reach 1 billion young people by 2030.

Valuing waste: Chile became only the second country in the world to implement a national plan to move to a circular economy. The scheme is the result of a partnership between TriCiclos and the Ellen MacArthur Foundation.

Relief and reconstruction: The International Trade Union Confederation teamed with US renewable energy firms Sesame Solar, SimpliPhi Power and Outback Power to deliver off-grid power to affiliates in Dominica along with emergency supplies and aid.

Football fund: Common Goal, co-founded by footballer Juan Mata, was launched as a programme aiming to break the cycle of poverty for 2.5 million people around the world. The plan has so far signed up 35 footballers to pledge 1% of their salaries to charities that use football as a tool for social change.

Community health: The CEOs of Last Mile Health Living Goods announced a \$50 million collaboration to deploy 50,000 community health workers to deliver quality care door-to-door to 35 million people. Working with African governments, the initiative will use mobile technology to empower community health workers more cost-effectively than deploying doctors or nurses.

Culture: At the invitation of Swiss President Alain Berset, Europe's ministers of culture gathered in Davos on 21 and 22 January. They discussed ways in which *Baukultur* for a better quality of life can be anchored in Europe, both politically and strategically.

Fighting financial crime and modern slavery: Thomson Reuters, Europol and the Forum are partnering to tackle money laundering and trafficking in human misery. The partnership will aim to raise greater awareness among global leaders, promote more effective information-sharing and improve compliance best practices.

Empowering women entrepreneurs: The Mann Deshi Foundation, a rural Indian cooperative bank run by and for women established by the meeting's Co-Chair Chetna Sinha, announced the launch of a Rs100 million fund to encourage more women at the bottom of the pyramid to become entrepreneurs.

Addressing up to gender bias: The Forum's Global Shapers Community teamed with Procter & Gamble to raise awareness among young people about gender equality. The partnership will include a social media campaign and a \$100,000 grant challenge to support grassroots, youth-led solutions.



Better metrics, better narratives for sustainable growth

Recent economic growth suggests a positive outlook for the global economy, yet macroeconomic statistics mask major challenges related to inequality, social exclusion and climate change. How can government and business leaders meet these challenges?

The global economy has recovered since the 2008 financial crisis and the International Monetary Fund predicts that the outlook for growth for the next two years continues to be a promising 3.9%. Many financial indicators give reason for optimism. The total market capitalization of listed companies has more than tripled in the past 20 years and corporate profits continue to rise.

However, peeling back the top-line positive trends reveals challenges related to lack of inclusion and environmental sustainability. For example, 82% of the wealth created in 2017 went to the top 1% of the world’s population. And even as corporations prosper, wages in many parts of the world remain flat. Meanwhile, only half of Africa’s population has access to electricity.

Income inequality demonstrates the pressing need for a new model of economic growth that is not centred solely on measures of GDP. Gross domestic product was developed

in the 1930s to measure a nation’s economic production and was never intended as a proxy for economic health.

Globalization and technology are among the forces that demand a rethink of the traditional focus on GDP growth. In today’s global supply chains, production often takes place across borders. Technology could further integrate markets and connect small producers in different nations. “In the future, there will be no ‘made in China’, no ‘made in the [United States]’, no ‘made in Peru,’” said Jack Ma, Executive Chairman of Alibaba. “It’ll be made on the internet.”

Technology is changing not only the nature of production but also the way people work and define labour. Opportunities in the “gig economy” have helped many young people find flexible incomes, but those jobs often come with the trade-off of few benefits and little job security.

Another force of change is automation, which could replace nearly half of all jobs by 2055, according to some analysts. Machine learning and artificial intelligence could increase the efficiency of production, reduce the need for monotonous work and even transform industries. However, the disruption to workers’ lives will be significant. Reskilling and training programmes are essential to prepare workers for the next generation of employment challenges.

New measurements are needed to track the progress of nations and companies, focus on economic inclusion and hold people accountable for results. For example, “short-termism” puts pressure on companies to deliver quarterly returns at the expense of socially beneficial goals and bolder, long-term projects. Many large investors have acknowledged that companies should pursue broader social missions than simply “greed is good”. However, investors still tend to interpret “fiduciary responsibility” as assessing earnings reports and balance sheets because those tools are the most reliable, standardized way of comparing companies.

Developing new ways to measure a company’s long-term vision and positive social impacts could give firms more space to prioritize environmental sustainability and provide a decent quality of life for workers.

The World Economic Forum has developed a broader measure of national economic performance than simply GDP. Named the Inclusive Development Index, it places greater emphasis on the standard of living of households than on quantifying the production of goods and services. The development of better metrics could help focus the attention of companies, policy-makers and the public on areas of society most in need of attention.

Some of the biggest success stories in today’s economy are tech giants that grew from being garage start-ups into billion-dollar companies. The Silicon Valley model of technology company has presented an enticing example to innovators and policy-makers around the world seeking to promote innovation. However, a cluster of firms now controls an outsized share of internet traffic, data collection and online activities, which has caused some to worry about the risks of tech monopolies.

While the traditional start-up model has created elegant solutions to developed-world problems, innovations are desperately needed to address the problems of low-income populations, such as lack of access to water, inconsistent power grids and deforestation. Pilot programmes that involve underserved communities in developing their own solutions – such as providing “innovation rooms” in urban communities – can result in products that are better tailored for that community.

“It’s not about chasing the next billion-dollar company,” said Badr Jafar, Chief Executive Officer of Crescent Enterprises. “It’s about changing and nurturing those companies that impact a billion people.”

Some countries are taking leadership roles in pioneering new models of growth and integrating environmental

“Working-age people, especially the young, are falling behind. Without action, a generation may never be able to recover.”

Christine Lagarde, Managing Director, International Monetary Fund (IMF), Washington DC



sustainability into economic prosperity goals. President Emmanuel Macron of France, in his address at the Annual Meeting, committed to closing all coal-fired power stations by 2021 and to making his nation “a model in the fight against climate change”. China, too, has taken a leadership role in reducing carbon emissions. The nation accounts for 40% of global investments in renewable energy.

As the era of “easy money” comes to an end, there is even greater urgency to address underlying social and environmental challenges. For nearly a decade, quantitative easing programmes in the United States, Europe and other nations have injected trillions of dollars into the global economy. Many countries are seeking to end these programmes, raise interest rates and tighten monetary policy. The time is now to prepare the policy groundwork for long-term change.

One way countries can harness untapped potential in their economies is to consider demographic advantages. Women, for example, are severely underrepresented in ASEAN’s workforce. Promoting female inclusion could be a major engine of economic growth and social inclusion for the region. Both policy changes and technology can reduce barriers that keep many women working in the unpaid “care economy” rather than earning incomes in the formal economy.

Canada has taken policy steps to promote inclusive growth. It welcomes more than 300,000 immigrants a year, including refugees, which helps balance counterbalance against the nation’s ageing population. Canada has also prioritized gender equity

and reducing poverty among children as policy goals for achieving more balanced economic growth.

Social safety nets ensure that nations can care for at-risk populations; therefore, such programmes provide a backbone for inclusive growth. However, ballooning pension and healthcare expenses have caused many countries to determine that spending levels on social protection programmes are unsustainable. Changing social spending typically requires unpopular political choices, but reforms are necessary to protect retirement payments as well as care for the poor and elderly in the years ahead.

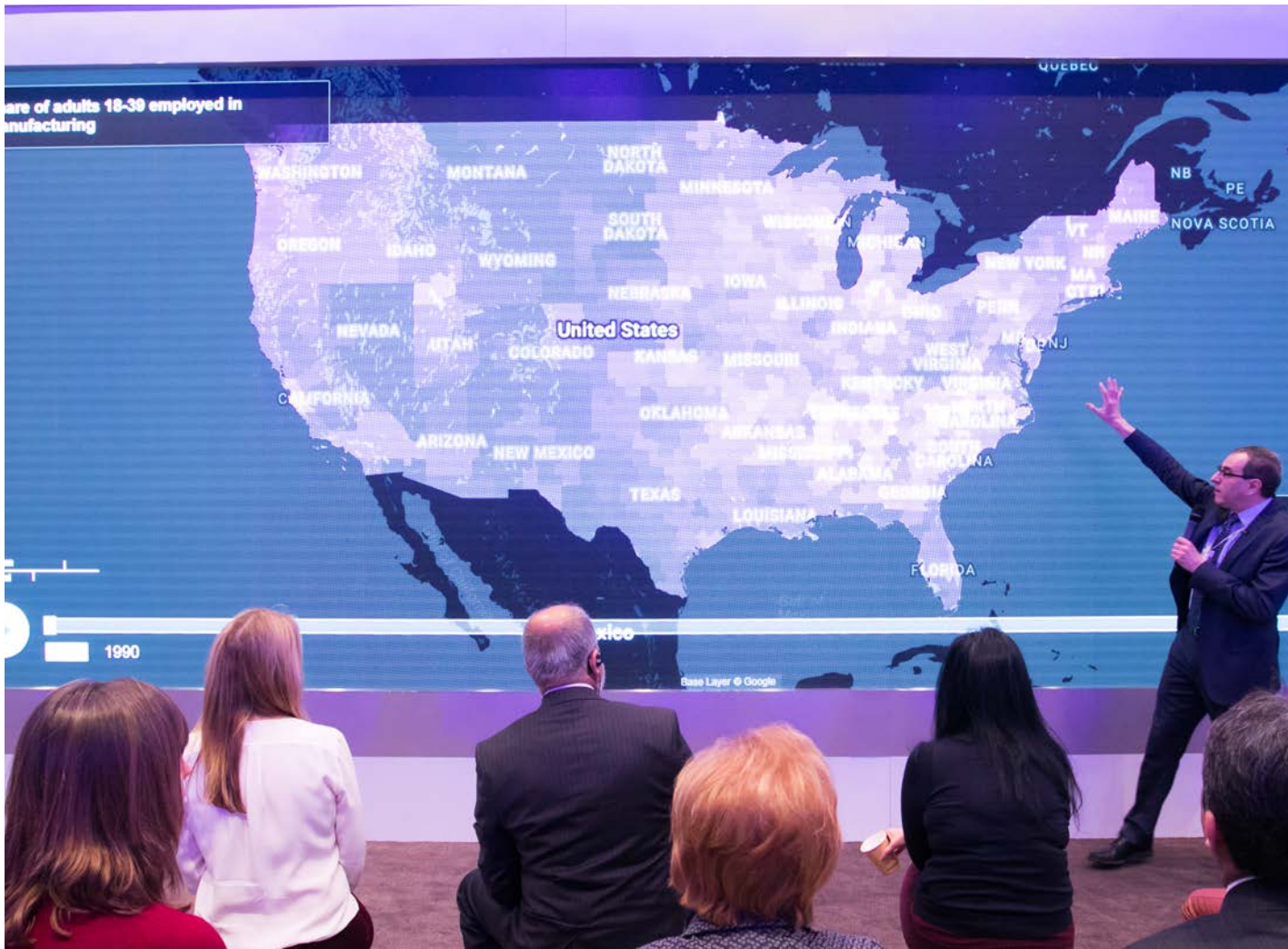
One way to claw back lost government revenue is to consider elimination of tax havens. The existing tax system has allowed companies and individuals to stash over \$7.6 trillion in tax havens, denying governments access to revenue that could be used to enhance social protection. Yet tackling offshore tax shelters is a global problem that requires global coordination.

“It’s not just about euros, yens and dollars,” said Winnie Byanyima, Executive Director of Oxfam International. “It’s about human rights.” And global justice demands that policy-makers, business leaders and civil society come up with better models for a future of more inclusive, balanced growth.



“We must ensure the Fourth Industrial Revolution unfolds with humanity at its centre, not technology.”

Klaus Schwab, Founder and Executive Chairman, World Economic Forum



Reducing generational inequality

Unemployment rates have declined in many parts of the world from post-financial crisis highs. But this macro improvement hides a worrying trend of persistent youth unemployment and underemployment in many parts of the world. In the Middle East, youth constitute more than half of the population, but a lack of economic opportunity has caused political unrest and even driven some to join terrorist organizations.

While the statistics are less dire for Europe, still, one in five young people cannot find work and the 18- to 25-year-old demographic carries the highest burden of debt relative to assets. Many of the opportunities that do exist lie in the “gig economy,” offering flexible, short-term but largely unstable employment. Youth unemployment differs structurally from unemployment at more advanced ages. “Lost wages, lost savings, can be extremely difficult to recover later in life,” said Christine Lagarde, Managing Director of the International Monetary Fund.

Fortunately, governments have a menu of options for reducing generational inequality. Wealth and inheritance taxes can ensure that accumulated assets of older generations help support younger demographics. Labour market policy, such as raising the retirement age, could help societies adjust to longer life expectancy and the expense of pension systems. Finally, job training and education programmes that prioritize digital literacy can better prepare today’s youth for tomorrow’s job market.



1: Paolo Gentiloni, Prime Minister of Italy; Victor Halberstadt, Professor of Economics, Leiden University, Netherlands





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1: Justin Trudeau, Prime Minister of Canada;
Malala Yousafzai, Girls' Education Activist and Co-Founder, Malala Fund, United Kingdom
2: Narendra Modi, Prime Minister of India and Klaus Schwab, Founder and Executive Chairman, World Economic Forum
3: Emmanuel Macron, President of France
4: Theresa May, Prime Minister of the United Kingdom
5: Angela Merkel, Federal Chancellor of Germany
6: Donald J. Trump, President of the United States of America

Humanity needs a new narrative for global cooperation

The appeal of liberalism is by no means exhausted. But as rival power centres offer persuasive alternative models, Western democracies need to tell a more compelling story – one that is inclusive, far-sighted, and above all, empathetic.

Despite a wave of populism and a resurgence of nativism, liberalism is not dead. However, it has suffered some stinging reverses. The good news is that many among the leaders and intellectuals still committed to liberalism's core values and institutions are determined to learn from these setbacks, especially in the face of new challenges brought on by rapid technological, demographic and climatological changes.

The self-criticism dominating so much discourse within the liberal cognoscenti since the political shocks of 2016 has sometimes descended into self-flagellation. However, through this process, the outlines of consensus have emerged: that the force of the liberal narrative has been blunted and diminished by the failure of developed states to deliver equitable and inclusive growth; that the West has paid the price for its complacency, for its poor memory of its own history, its equally poor appreciation for the history of other countries and regions; and for its

underestimation of the enduring mental hold of various tribalisms. Economic recovery and recent growth have bolstered confidence, but growth alone is no panacea. A new narrative is desperately needed.

To navigate this multipolar and multiconceptual world, it is important to first reckon candidly with the contested nature of geopolitical power in all its dimensions: economic, technological, military, cultural and social. For many in the developed West, and especially in the United States, this first step is not an easy one. The US has not, since the end of the Second World War, shared the global stage with a truly multidimensional peer until very recently. China must now be viewed as bona fide contestant, if not yet a true peer. Its developmental model – rapid urbanization, heavy infrastructure investment, aggressive exports and a strong authoritarian state – has understandable appeal in much of the global South. India, bolstered by favourable demographics, is coming

on strong. Russia, for its part, has demonstrated the willingness to aggressively contest, often through asymmetrical means, American power – and an eagerness to see off American hegemony.

If navigation is made difficult by the persistence of American exceptionalism and a refusal to recognize the multipolar shift, it is made still more difficult by the abruptness of American withdrawal under the current administration. It leaves a dangerous vacuum of leadership that cannot readily be filled. Countries like China, through laudable initiatives such as the Asia Infrastructure Investment Bank and especially the ambitious Belt and Road Initiative, may be creating public goods in the world. But they cannot be expected to immediately supplant American stewardship – and they strip out some of the values that the US and its allies, in creating those public goods, had infused them with.

To successfully navigate this new multipolar world, leaders must be alert to how new geopolitical tensions will inevitably rise over control of the vital resources of a world now being reshaped by powerful new

“We need to look at what needs to be done for the international community to embrace us. Capital goes to where it is most comfortable.”

Emmerson Mnangagwa, President of Zimbabwe



technologies – whether strategic minerals like cobalt and lithium, or that most vital, precious resource in this age of the Fourth Industrial Revolution: data.

The new narrative that those leaders committed to globalism must now craft has to be compelling to the middle- and lower-class voters, as Canadian President Justin Trudeau and French President Emmanuel Macron both said in their respective special addresses at the Annual Meeting.

“Unless I give a meaning to globalization, and unless I can explain to people that it will help their lives in 10 to 15 years, then that will give rise to nationalists and they will win, and they will win in every country,” warned Macron.

However, the new narrative also has to convincingly address the questions that the Fourth Industrial Revolution poses – about the nature of work, about finding purpose and meaning in a world where employment, which has for so long served as the focus and the pillar of individual dignity, fundamentally changes. It needs to address the power accrued by data-driven technology giants. It needs to answer essential questions about humanity in an age when trans-humans, enhanced by genetic engineering, bionics, or advanced robotics, will inevitably be among us.

The multiconceptual nature of the world – secular states and states grounded in religious traditions, pluralistic and authoritarian polities, multi-ethnic countries and “ethno-states” – makes navigation much more challenging still. What the liberal West has enshrined as universal values may indeed represent the aspirations of

people around the world, but many people from less developed countries have demonstrated a real willingness to compromise – persuaded, tacitly, that surrendering some personal liberty for some personal safety does not, as the American revolutionary axiom would have it, make one deserving of either liberty or safety.

Above all what is needed is cognitive empathy. Cognitive empathy differs from the more familiar emotional empathy – that reflexive innately human ability to feel how others might feel. Cognitive empathy requires knowledge: knowledge of the historical experience and present circumstances of the other, of the other's core beliefs and assumptions. It must be learned and consciously developed. But it does not demand that one's own values and beliefs be abdicated and it is not mere moral relativism. Done right, it is an invaluable tool in devising strategies and approaches that actually work. It is indispensable to navigating the multipolar, multiconceptual world in which we now live.

Make the most of the European opportunity

Europe is increasingly looking like the last best hope for open, liberal, rules-based globalism. Things are looking up in the continent, or at least, things are not looking so dire. The Eurozone has weathered an existential crisis and while consensus on how to address another debt crisis still eludes the European Union, under current conditions of recovery, stability and lower unemployment, Europe has gained some time.

The election of Emmanuel Macron and the re-election of Angela Merkel, and the EU – or at least its Franco-German core – have survived, for now, the tidal wave of populism. The EU has survived Brexit, insofar as there have been no further exits. And while there is much that separates Western from Central Eastern Europe – in attitudes toward immigrants and refugees, in the relative power of populist and nationalist parties – the core, founding continental EU states, at least, enjoy remarkable cohesion and alignment.

The year 2018 may prove to be, as Bruno Le Maire, France's Minister of Economy and Finance said, “a European year”.

The Trump administration's withdrawal from multilateral trade organizations provides space for greater European leadership in trade. President Macron of France, for instance, announced at the Annual Meeting that he had signed agreement with the other 10 members of the Trans-Pacific Partnership (TPP) to create a “Comprehensive and Progressive TPP” – a “CP-TPP” that will bolster environmental and labour requirements for TPP members.

The EU nations have a leg up as they face new global realities. However, the danger is apathy – a failure to seize the European opportunity and to strike while the iron is hot.




“Anything that is routine or repetitive will be automated.”

Minouche Shafik, Director, London School of Economics and Political Science, United Kingdom

A group of approximately 15 people, mostly women, are seated in a circle on a polished wooden floor. They are engaged in a discussion or a meeting. In the center of the circle is a small, white, rectangular table. The room has large, arched windows with wooden frames, and a sign on the wall reads "THE LOFT". The atmosphere appears to be professional and collaborative.

3



A photograph of King Felipe VI of Spain, a man with a grey beard and mustache, wearing a dark suit, white shirt, and a light blue patterned tie. He is standing behind a white podium with a dark blue top section. The podium features the 'WORLD ECONOMIC FORUM' logo on the left and the text 'Annual Meeting 2018' in the center. Two microphones are positioned in front of him. The background is a solid blue wall.

A woman with brown hair, wearing a black jacket and a pearl necklace, is speaking and gesturing with her hands. She is seated at a panel discussion. The background is a blue screen with the NIH logo and text: "NIH National Human Genome Research Institute genome.gov/sequencingcosts". There is also a line graph showing a downward trend. The text "\$10K" is visible on the left, and "01", "009", and "20" are visible on the right.

Konrad Steffen, Director,
Professor in Climate and
Cryosphere, ETH Zurich,
Switzerland
5: Nancy Brown, Chief
Executive Officer,
American Heart
Association, USA, in
The Promise of
Precision Medicine
session

1: Juan Manuel Santos, President of the Republic of Colombia
 2: Jim Yong Kim, President, World Bank, Washington DC
 3: Yemi Osinbajo, Vice-President of Nigeria
 4: Harnessing the Fourth Industrial Revolution for the Earth
 5: Alexis Tsipras, Prime Minister of Greece
 6: Rejuvenating European Democracy
 7: Alain Berset, President of Switzerland
 8: Intelligent Cyber-Physical Systems for Health with Massachusetts Institute of Technology
 9: Gillian R. Tett, Managing Editor, US, Financial Times, USA
 10: Jodi Halpern, Professor of Bioethics and Medical Humanities, University of California, Berkeley, USA
 11: Isabelle Kocher, Chief Executive Officer, ENGIE, France; Chetna Sinha, Founder and Chair, Mann Deshi Foundation, India,



Healing fractured societies will take empathy and generosity

Life expectancy is rising, child mortality levels are lower and fewer people live in poverty. However, pervasive inequality has driven huge fault lines in global societies, rapid social change is challenging traditional values, and national identities and accelerating technologies are threatening jobs. How can the gaps be closed?

In 2016, the world heard a “primal scream of grievance”, said John Harris, Editor of *Politico*, as Britain voted to leave the European Union and Donald Trump triumphed in the US polls. In both electorates, voters felt propelled by a sense that the system was rigged against them. Working classes felt threatened by immigrant labour and the march of high tech. Nationalists felt uneasy sharing their shores with foreigners or having laws foisted on them by Brussels bureaucrats. And many ordinary folk simply felt ignored by the ruling classes and left behind by progress.

Arlie Russell Hochschild, a left-leaning sociology professor from the University of California in Berkeley, spent five years talking to people in the US Deep South. She said they told her that “they’ve been waiting in line for the American Dream – playing by the rules – but haven’t moved forward”, often because others jumped the queue through affirmative-action programmes.

The problem is, according to Zanny Minton Beddoes, editor of *The Economist*, “the dissatisfaction in the economic system is not going away”. The fruits of the massive technological innovations of the 21st century “are going to a small group of people, most of whom are here”, she told participants in Davos.

Statistics back her up. The globe’s richest 1% own half the world’s wealth, their share rising from 42% in 2008 to 50%, or \$140 trillion, in 2017, says Credit Suisse. According to Oxfam International, in the US the wealthiest 1% captured 95% of post-financial crisis growth from 2009-2014, while the country’s bottom 90% became poorer. There appeared little appetite at Davos, however, to debate attempts to significantly rebalance the benefits of capitalism away from the few towards the many.

Nevertheless, chief executive officers now recognize their role is not only to deliver profits but also to speak

out on social and political issues. Driven partly by the erosion of public trust in corporations, chief executives see rebuilding relationships with civil society as a priority. “Business is more than the bottom line,” says Paul Polman, Chief Executive Officer of Unilever. “Issues such as climate change, human rights and child labour all influence what we do and how we do it.” He added: “Our workers and customers expect us to take a stance on such issues.”

At Vodafone, Vittorio Colao started a conversation among his 120,000 employees about sexual orientation. “My job as CEO is to ensure that everyone feels free to express themselves in a corporate environment.” He started by attaching a rainbow ribbon to his company ID. “It was the best thing I did,” he said. “People thanked me in the elevator” because it was a signal that the top of the company wanted to have the debate.

Among politicians, Justin Trudeau, Canada’s “feminist” prime minister, is leading the way in gender inclusion. As well as appointing an ethnically Afghan woman as Minister for the Status of Women, he has championed women in the boardroom and his cabinet and

requires every government policy, including the budget, to be scrutinized from a gender perspective.

While such measures may heal some social divisions, do these changes go fast and deep enough? Many people in the US and the UK voted the way they did out of fear for their jobs – threatened in their minds by climate change-driven cuts to the carbon economy and vulnerable to the onward march of automation and artificial intelligence. In such turbulent times, ordinary people crave certainty. Business leaders and politicians need to deliver clear policies and priorities to demonstrate how the Fourth Industrial Revolution offers rewards and not just risks for ordinary people.

Academics and media also have a role in healing social divisions. For Steven Pinker, Professor of Psychology at Harvard University, populism is a result of a sense of hopelessness and pessimism in the face of relentless bad news. Pinker points to the Enlightenment values of reason, science, humanism and progress as a vital antidote to the fatalism that drives people to seek answers from tribal, religious or nationalistic leaders.

Reason and science demand that we resist the temptation to generalize from anecdotes, argue from stereotypes or swallow doctored social media stories and instead base our arguments on empirical proof and peer review. Humanism bursts the boundaries of tribe, nation and race by announcing that our ultimate moral purpose is to reduce suffering and enhance the flourishing of all humans. Finally, progress will inexorably come if we can only apply our reason, knowledge and sympathy to enhance learning and reduce suffering.

Pinker backs up his defence of progress with some impressive facts. For most of human history, people lived for about 30 years; now life expectancy is nearing 80 years in developed economies. In the 18th century, a third of all children in Europe died before their fifth birthday. Now

“We have to make it easy for our firms to have digital knowledge.”
Mercedes Aráoz, Prime Minister of Peru



the figure is under 1%. In 1820, 90% of the world lived in extreme poverty; today it’s less than 10%.

These statistics, however, are scant comfort for war-torn populations in Syria, Iraq, Yemen, Afghanistan or sub-Saharan Africa. For them, reconstruction of both the physical and social fabric is vital. It will take an estimated \$100 billion to rebuild Iraq and three times that for Syria. We cannot forget how the most destructive and divisive terrorist movements of the past two decades – the Taliban, Al-Qaeda and Daesh – all emerged out of war-torn societies. “The West and the rest need to see that it’s in their national security interest to rebuild the region,” says Majid Jafar, CEO of Crescent Petroleum.

Rebuilding societies will be considerably tougher than pouring concrete, but there are leaders in the Middle East who embrace a humanist approach. Qubad Talabani, Deputy Prime Minister of the Kurdistan Regional Government, said that building reconciliation between Sunni, Shia and Kurdish communities is the only long-term way to eliminate extremist ideologies. Iraq needs “a shared national vision...where our diversity becomes our strength,” he said.

Building a diverse society starts with a shared dialogue. It means not only including different faiths but also different genders. Two groups who will play a huge role in building peace are women and young people, said Kristalina Georgieva, CEO of the World Bank. It is vital to open up a space for women to play their part. “We are more consensus-oriented,” she said.

Creating work is equally important. “When there are jobs and a sense of security in the future, dialogue is more likely to be successful,” she noted.

Healing divisions in societies can only succeed through a combination of hard and soft power. The world’s wealthiest need to find a way to share out the fruits of technological change and globalization more generously. Business, political and civil society leaders must be courageous in embracing inclusion and diversity. But when faced with extremist or discriminatory views, Hochschild called on us to engage in compassionate dialogue with those we disagree with most. She spoke of crossing an “empathy bridge” in her journey towards a deeper, more sensitive human interaction.

Artists are uniquely placed to build bridges between divided individuals and societies. For Yo Yo Ma, the cellist and founder of the collaborative Silk Road music ensemble, the key is to create a shared narrative in the place where politics, economics and culture overlap. “Economics is about creating value,” he said, but “culture is about creating values.” The currency of culture is trust – a space where we can focus on what unites us rather than separates us. “My work,” said Ma, “is to turn what someone says is ‘mine’ into ‘ours’.”



“If you want your company to operate with wisdom, with care, then women are the best.”
Jack Ma, Executive Chairman, Alibaba Group Holding, People's Republic of China



Building bridges to another reality

The creative arts played a prominent role in Davos this year and demonstrated the power of culture in building empathy between societies.

At the traditional craft end of the arts spectrum, Masterworks was an inspiring collaboration between Turquoise Mountain and the Smithsonian Institution to explore the role of handmade art in creating social change for the common good. Afghan potter Abdul Matin Malikzada threw bowls that were painted by Vermont potter Miranda Shackleton. Master Afghan wood carver Nasser Mansouri collaborated with fellow carvers from Switzerland and Jeddah to create beautiful designs in wood and plaster. And British jewellery designer Pippa Small worked alongside goldsmith U Tin Win from Myanmar.

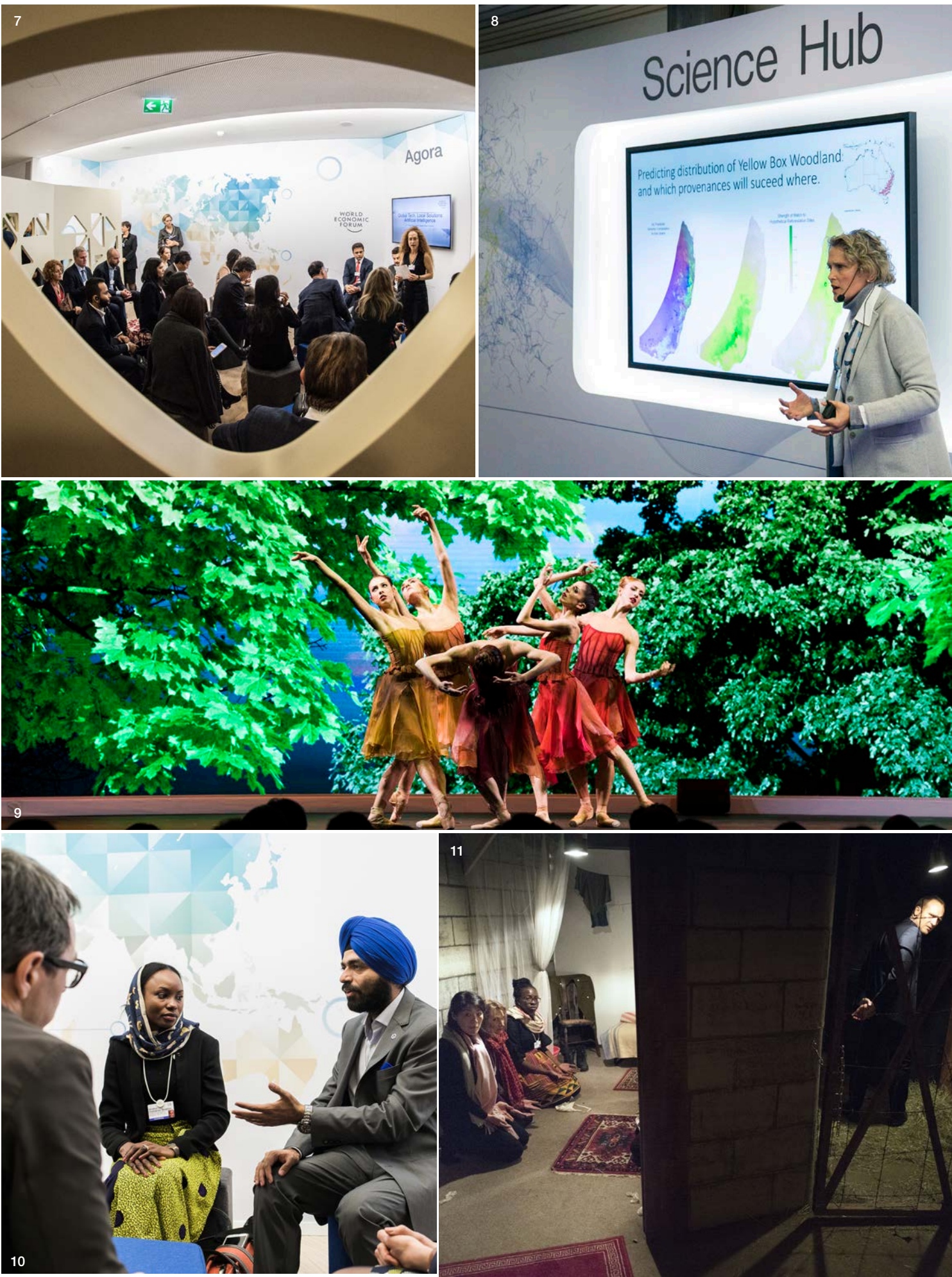
At the high-tech end of the spectrum, the PORTALS exhibitions reclaimed technology to create intensely immersive human experiences. New Dimensions in Testimony is a deeply moving interactive conversation with Holocaust survivors. The University of Southern California's Shoah Foundation recorded five days of testimony of several survivors, like Pinchas Gutter, who then appeared before participants on a large flat screen and answered questions as if they were in the room.

Awavena, created by Australian artist Lynette Wallworth, is a virtual reality journey deep into the Amazon. It tells the story of Hushuhu, the first woman shaman of the Yawanawa tribe. It took the courage of the dying male shaman to break with centuries of taboo and give Hushuhu his blessing. Since then, the Yawanawa tribe has seven female and seven male chiefs. The image of Hushuhu on the bridge has particular resonance for Wallworth. "I want to be able to cross that bridge and meet those people on the other side and create a shared future," she said.

- 1: Tipping Points for Sustainable Production
- 2: Marisa Miraldo, Associate Professor of Health Economics, Imperial College London, United Kingdom
- 3: His Majesty Abdullah II Bin Al Hussein, King of the Hashemite Kingdom of Jordan
- 4: Pioneering the Future of Governance in the Arab World



- 1: Hilaree O'Neill, Athlete, Protect our Winters, France
- 2: Liu He, Member, Political Bureau of CPC Central Committee; General Office Director, Central Leading Group for Financial and Economic Affairs, People's Republic of China
- 3: Fabiola Gianotti, Director-General, European Organization for Nuclear Research (CERN), Geneva; Ginni Rometty, Chairman, President and Chief Executive Officer, IBM Corporation, USA
- 4: Dan Buettner, Founder, Blue Zones, USA
- 5: Rex W. Tillerson, Secretary of State, US Department of State, USA; Borge Brende, President, Member of the Managing Board, World Economic Forum
- 6: Global Shapers - Multilateral with Yo-Yo Ma, Cellist, Sound Postings
- 7: Justine Cassell, Associate Dean, Technology, Strategy and Impact, School of Computer Science, Carnegie Mellon University, USA
- 8: Adrienne Nicotra, Professor, Australian National University, Australia
- 9: Opening Performance
- 10: Building Strong Rural Communities
- 11: A Day in the Life of a Refugee



Governance 2.0: building a resilient model – one we can all trust

The new technologies of the Fourth Industrial Revolution are sweeping in a new era of change and have the potential to redefine modern lives. But what protocols and policies need to be in place to ensure equal access and equal protection in the future?

The speed at which technological breakthroughs are coming along has no historical precedent. Nascent technologies such as drones, blockchain, precision medicine, the internet of things (IoT) and artificial intelligence are already transforming how business is done and how we live our lives. No one can divine the shape of things to come, but for the Fourth Industrial Revolution to fulfil its potential to benefit all, it must be moulded, managed and governed with agility.

But what would agility in governance mean, and how would it make governance inclusive and trustworthy for all?

To begin with, agility entails a faster response time. Government agencies have to gear up for shorter turnarounds, particularly by using the data available and gathering more at a faster pace. Erik Brynjolfsson, Director of the MIT Initiative on the Digital Economy, said: “The technology is

there; people are not pushing hard enough.”

Agility also requires a cultural change. This includes overhauling regulations that prevent government agencies from using existing data and dismantling unwieldy structures that hinder coordination between departments and agencies. If needed, governments can create new, separate, dedicated agencies or departments for data analytics as bureaucracies often suffer from inertia that favours existing systems.

Governments typically take decisions using a “HiPPO” approach, that is to say, the highest-paid person’s opinion prevails. Instead, they must switch to a sense-and-respond approach. For example, how do companies like Google and Facebook stay ahead of the pack? They do not try to predict – they actively and constantly experiment. These companies are continuously learning and upgrading by carrying out experiments.

For instance, Amazon deliberates over whether its shopping cart should appear on the left or right of the web page to minimize the chances of it being abandoned. By how much does adding a picture enhance the chances of a tweet being retweeted?

Governments will have to learn to do the same, particularly by building capacity so regulators are able to operate at the cutting edge of innovation. Industry, for its part, must also play a role in building regulatory capacity. Regulation must be forward-looking, even anticipating scenarios not yet evident – for example, in smart mobility by preparing for a near-term future when conventional vehicles share the roads with driverless cars, and eventually for a time when only driverless cars are on the roads. Regulation must not discourage experimentation and adoption because the economic and human cost of not using technology would be high.

A good regulatory framework would keep rule-making to the minimum. By clearly establishing some key basic minimum requirements, it would leave room for experimentation and learning. Developing countries, and jurisdictions such as China, are poised to rapidly scale new technologies precisely

because they have relaxed regulatory frameworks. Uber, for instance, has faced much resistance in Germany, France and the UK, while Snapp, a similar service in Iran, has grown exponentially.

Governments also must learn from businesses how to be customer- or citizen-focused. “The challenge is in co-creating with people to be agile and inclusive,” said Carlos Moedas, Commissioner for Research, Science and Innovation of the European Commission. Policy and regulation must be designed through collaboration creation with industry, entrepreneurs, citizens and civil society, and systems must be devised to facilitate this on an ongoing basis.

For instance, health and drugs regulators must constantly talk to businesses, and vice-versa, to know which genome-based therapies are market-ready, how they will be rolled out, how short- and long-term effects will be recorded and acted on, all of which would create a feedback loop that informs changes or next steps in regulation. It would be important to overcome contrasting sector cultures. In the case of drones, the aviation sector is obsessively focused on safety, while Silicon Valley innovators want to “fail quickly” and learn from deployment of solutions that are only truly fire-tested by public use. Communication, openness and collaboration are key.

Governments must also devise mechanisms to talk to each other, as the challenges posed by the Fourth Industrial Revolution traverse borders, be it data privacy and security or drone flights. On technologies such as 5G, IoT and drones, it would be useful to have worldwide standards and regulations, although these would be slow and laborious to produce. In the meantime, country regulators should, at the very least, exchange best practices and toolkits to set up national regulatory frameworks. The World Economic Forum is a great platform to enable dialogue between governments, and between governments and industries.

“It is vital to safeguard the dignity of the human person . . . by implementing economic policies that favour the family.”

Cardinal Peter Kodwo Appiah Turkson, Prefect of the Dicastery for Promoting Integral Human Development, delivering a message from His Holiness Pope Francis



Much of the promise of the Fourth Industrial Revolution is based on data analytics. The more data from the most varied sources, the more reliable it is. However, data is not always reliable and free of bias. For example, the preponderant majority of clinical studies are conducted on subjects of European descent, which leaves vast sections of humanity underrepresented and less likely to benefit from precision therapies. Therefore, users of data must be mindful of how they interrogate it, and regulation must ensure there is transparency over how algorithms are constructed.

The chief executive of one internet company in Davos said that “privacy, security, regulation are all questions.” He said people have the right to know who has what data of theirs, who it can be shared with, and for what purpose.

Regulation can ensure transparency by stipulating assent and disclosure norms. A significant section of opinion believes economic benefits of data must accrue to the individual rather than to the corporations that have mined and used it. Public faith in regulation is essential to building trust, which, in turn, enables collection of the vast amounts of data that Fourth Industrial Revolution technologies will be based on.

At the cusp of a new world, humankind has the chance to serve those currently underserved and not only the wealthiest who have the means to drive the ongoing change and shape the future. Governance

must build inclusion into policy and regulation, particularly in the developing economies where the focus has to be on the more basic challenges of using technologies to meet the challenges of housing, congestion, poverty and inclusion, and climate change.

Digital payments, for instance, have to benefit the humanitarian sector rather than those stashing incomes away in tax havens.

Policy and taxation decisions must favour choices that promote the larger good. Again, with smart mobility, for instance, policy-makers should promote cleaner electric vehicles and safer autonomous vehicles over other choices; in energy production, they should favour renewables and energy-efficient technologies.

Transparency would put an end to rent-seeking and lobbying by shining sunlight on how and why decisions are taken, and agility in regulation would enable the economy and the society that the Fourth Industrial Revolution creates.



“Educated, skilled women lift economic growth, help reduce poverty, change perceptions and eradicate evils like child labour.”

Malala Yousafzai, Girls’ Education Activist and Co-Founder of the Malala Fund, United Kingdom



- 1: The Big Picture on Cyber
- 2: Understanding Neural and Digital Networks with Princeton University
- 3: Tak Niinami, President; Chief Executive Officer; Member of the Board; Representative Director, Suntory Holdings, Japan
- 4: The Neuroscience of Prosocial Behaviour with UC Berkeley

How to strengthen cyber-resilience

Cyberattacks are becoming more frequent and damaging. When A.P.Moller-Maersk of Denmark suffered an attack in June 2017, the company that handles 20% of the world's cargo experienced a temporary slowdown in trade and had to reinstall 4,000 servers and 45,000 PCs. In all, the cyberattack cost the company more than \$200 million. Last year, the WannaCry and Equifax attacks made news, but how many went undetected or unreported?

Organizations, both for-profit and non-profit, as well as governments remain largely unprepared. A recent PricewaterhouseCoopers study indicated that 40% of surveyed organizations had no cybersecurity policy and 55% had no protocols for responding to a crisis.

The first line of defence is within individual organizations – they must encourage awareness of vulnerabilities across all levels and embed cybersecurity in their culture. Management must acquire at least enough digital skills to be able to speak to cybersecurity officers to understand vulnerabilities, prioritize risks and develop response.

A successful response would require not only IT expertise but also an effective operational and communications strategy. At the same time, a back-up system must kick in to keep the organization going while it tackles an attack.

Further, companies must share information about threats, attacks and best practices to create system-wide preparedness. “Every public company is almost laser-focused on security in their own moat,” said Timothy Murphy, General Counsel and Chief Franchise Officer, of Mastercard, USA. He added that they must share information and collaborate. Collaboration between companies and national and international authorities is the second line of defence.

Governments can learn from each other about setting up national cybersecurity mechanisms. Public-private partnerships are an effective approach, one that the World Economic Forum’s Global Centre for Cybersecurity is promoting through its convening power to bring a range of players together. Its *Cyber Resilience Playbook for Public-Private Cooperation*, released this month, is an essential resource.



1: H.R.H. Princess Reema Bint Bandar Al-Saud, Vice-President for Development and Planning, Saudi Arabian General Sports Authority, Saudi Arabia
 2: will.i.am, Founder and Chief Executive Officer, I.A.M.PLUS, USA
 3: Exhibition: PORTALS
 4: Sinéad Burke, Founder, Minnie Mélange, Ireland; Carlos Edmar Pereira, Chief Executive Officer and Founder, Livox, Brazil; Tiffany Yu, Founder, Diversability, USA
 5: Yoram Singer, Professor, Princeton University, USA
 6: Isaac Herzog, Leader of the Opposition in the Knesset, Israel; Alison Martin, Group Chief Risk Officer, Zurich Insurance Group, Switzerland; Ciaran Martin, Chief Executive, National Cyber Security Centre (NCSC), United Kingdom; Robert E. Moritz, Global Chairman, PwC International, PwC, USA; Kirstjen Nielsen, Secretary of Homeland Security of the United States; Gunn Warsted, Chair, Telenor Group, Norway
 7: Adel bin Ahmed Al Jubeir, Minister of Foreign Affairs of Saudi Arabia; Anwar Gargash, Minister of State for Foreign Affairs of the United Arab Emirates
 8: Saad Al Hariri, President of the Council of Ministers of Lebanon
 9: Harnessing the Fourth Industrial Revolution for the Earth
 10: Klaus Schwab, Founder and Executive Chairman, World Economic Forum;
 Zhao Haishan, Tianjin Municipal People's Government, Vice-Mayor of Tianjin
 11: Giovanni Sansavini, Assistant Professor of Reliability and Risk Engineering, Department of Mechanical and Process Engineering, ETH Zurich, Switzerland



1: Paula Kahumbu, Chief Executive Officer, WildlifeDirect, Kenya
 2: Chen Man, Founder, Beijing Man Xiang Ya Tian Advertising, People's Republic of China
 3: Zero Days VR
 4: Mauricio Macri, President of Argentina
 5: Closing Concert
 6: Douglas L. Peterson, President and Chief Executive Officer, S&P Global, USA



1: Ethical by Design: Embedding Values in Technology
2: Haidar Al Abadi, Prime Minister of Iraq
3: Engineering Intelligent Food Systems with Imperial College London
4: Fareed Zakaria, Host, CNN, USA; Benjamin Netanyahu, Prime Minister of Israel

5: Carlos Moedas, Commissioner for Research, Science and Innovation, European Commission, Brussels
6: Shah Rukh Khan, Actor, Red Chillies Entertainment, India; Hilde Schwab, Chairperson and Co-Founder, Schwab Foundation for Social Entrepreneurship, Switzerland; Cate Blanchett, Goodwill Ambassador, United Nations High Commissioner for Refugees (UNHCR), London; Klaus Schwab, Founder and Executive Chairman, World Economic Forum
7: Queen Rania of Jordan and Hussein, Crown Prince of Jordan

8: The Learning Revolution: It's not about Classrooms
9: Ursula von der Leyen, Federal Minister of Defence of Germany; Pierre Moscovici, Commissioner, Economic and Financial Affairs, Taxation and Customs, European Commission, Brussels
10: Steven Mnuchin, Secretary of the Treasury of the United States
11: Winnie Byanyima, Executive Director, Oxfam International, United Kingdom
12: Xavier Bettel, Prime Minister of Luxembourg; Angel Gurría, OECD; Lakshmi N. Mittal, Chairman and Chief Executive Officer of ArcelorMittal





1. Down to Earth
 2. Cyril M. Ramaphosa, Deputy President of South Africa
 3. Hypnosis, Pain and the Power of the Mind with Stanford University
 4. Kang Kyung-Wha, Minister of Foreign Affairs of the Republic of Korea
 5. Are You Ready for the Next Pandemic?



Davos moments

The winners of the 2018 Crystal Awards

Three leading artists were honoured at the World Economic Forum's 24th annual Crystal Awards. Actress Cate Blanchett, musician Sir Elton John and Bollywood actor Shah Rukh Khan received the award for their achievements as bridge-builders and role models for all leaders of society. They all have shown an exemplary commitment to improving the state of the world. Blanchett, an internationally

acclaimed award-winning actor and director, who was appointed a UNHCR Global Goodwill Ambassador in 2016 in recognition of her work with refugees, was honoured for her leadership in raising awareness of the refugee crisis. Elton John, one of the world's most successful musical solo artists, was honoured for his work in the fight against HIV/AIDS. The Elton John AIDS Foundation, which he established in 1992, has raised more than \$400 million to support HIV/AIDS prevention programmes around the world. The Bollywood star Shah Rukh

Khan received the award for his role in championing children's and women's rights in India. He is also the founder of the non-profit Meer Foundation, which provides support to female victims of acid attacks and major burn injuries through medical treatment and legal aid.



Bold PPP tackles modern slavery

A bold public-private partnership announced at the Annual Meeting seeks to develop a \$1.5+ billion fund to coordinate a coherent, global strategy to address modern slavery. US Senator Bob Corker of Tennessee highlighted the creation of the Global Fund to End Modern Slavery, a partnership that will fund programmes to combat modern slavery in the countries where it is most prevalent.

Years of discussion in Davos are bearing fruit as the United States and the United Kingdom have agreed to seed the fund with a \$75+ million start-up investment. Faced with the unprecedented challenge of 40 million people living in modern slavery, the fund will collaborate across sectors and geographies with a focus on three core programmatic pillars: rule of law, business engagement and sustaining freedom. Jean Baderschneider, Chief Executive Officer of the new Global Fund, emphasized the critical role of business: "We believe that sustainably

ending modern slavery will require market-based solutions and proactive business leadership. There is potential for businesses and investors to drive change like we have never seen before."



Global Shapers take on gender challenge

The Global Shapers Community of the World Economic Forum announced at Davos a partnership with Procter & Gamble to accelerate progress on gender equality. The Shapers, inspired by Procter & Gamble's #WeSeeEqual campaign, will galvanize the collective power of over 7,000 Global Shapers to raise awareness and mobilize action. The Global Shapers Community is a network of dynamic, entrepreneurial

and socially engaged young leaders aged between 20 and 30 from across the world. They are organized into city-based hubs and have committed to working together to make a positive and tangible impact through local projects. By sparking a digital conversation on gender equality, the Shapers social media movement will encourage young people to use their voice to challenge the status quo. The partnership with Procter & Gamble includes a \$100,000 grant challenge. Shaper hubs from 157 countries will be invited to submit ideas for projects

that help to break stereotypes and advance gender equality. Five winning proposals will be awarded \$20,000 each to implement their project in their city.



Leaders unite to fight pollution

Forty heads of major businesses and governments made a commitment in Davos to efforts that cut waste and pollution, including the Chief Executive Officers of Alphabet, The Coca-Cola Company, Royal Philips, Unilever and the Governments of Indonesia, Nigeria, the People's Republic of China and Rwanda. The leaders have partnered to form the Platform for Accelerating the Circular

Economy (PACE) to tackle pressing environmental challenges, from electronic waste to plastic pollution. They advocate a circular economy: one that exchanges the typical cycle of make-use-dispose of in favour of redesign, reuse and recycling. According to the International Resource Panel, globally, nearly 90 billion tonnes of materials were consumed last year. This is predicted to double by 2050. Only 9% is cycled back into the economy, wasting an estimated \$4.5 trillion in "recoverable" resources. PACE is chaired by

the heads of UN Environment, the Global Environment Facility and Royal Philips in collaboration with the Ellen MacArthur Foundation, the International Resource Panel, Accenture Strategy and Circle Economy. The World Economic Forum acts as host and facilitator to PACE.



Putting sustainability into practice: ISO certification

The Forum has been acutely aware that the very act of gathering world leaders and experts at a physical meeting site creates its own impact on the environment. This is why the Forum aims to continually improve the sustainability of the Annual Meeting in Davos-Klosters.

In January 2018, the World Economic Forum achieved a critical milestone by being independently certified to the international standard for sustainable event management, ISO 20121.

ISO 20121 is a management system standard. It is a tool for organizations to embed sustainability principles and actions into their institutional policies and procedures. With ISO 20121, the Forum has a firm basis for planning how it can address the impacts of its events; implementing its plan to reduce these impacts; monitoring and evaluating progress, and then feeding the learning into the following year's planning.

ISO 20121 takes the management systems approach familiar to thousands of organizations worldwide through the success of standards such as ISO 9001 (quality management) and ISO 14001 (environmental management).

The World Economic Forum sees certification as proof that it has effective processes in place and that there is real, practical sustainability performance underpinning the Annual Meeting. The validity of the certificate is for three years but subject to regular surveillance audits by independent auditor DNV GL.

Sustainability measures taken at this year's meeting include:

- In addition to 100% renewable electricity for temporary constructions, the Forum invested in energy efficiency by using LED lighting systems
- Wood pellets were introduced in place of fuel oil to reduce carbon emissions
- Careful waste management was implemented, including donation and recycling of materials after the meeting
- The number of vegetarian meals served increased 50% compared to the meeting in 2017, and 70% of the food served was locally sourced
- The Forum shuttle fleet is made up of hybrid vehicles
- The use of train was encouraged, and a special rate was negotiated for participants arriving at Zurich airport for their onward journey to Davos
- All badge holders were able to use free public transport in Davos-Klosters

- Walking was promoted with clearly indicated paths in Davos and by distributing shoe grips to participants
- The Forum recognizes that a large proportion of the travel impact cannot be avoided and compensates all CO2 emissions from participants, media and staff air travel. This was done with the support of the South Pole Group, a Forum Social Entrepreneur
- The Forum actively engaged with local stakeholders and authorities to ensure mutual benefits and it supports the development of local sustainability programmes

PublicisLive, the Forum's official provider of logistics and key support services, has also achieved the ISO 20121 certification for the planning and delivery of the events it manages. This strong and longstanding partnership to deliver more sustainable solutions to planning and staging the Annual Meeting has been a huge benefit to us and amplifies what both organizations have been able to achieve.

Acknowledgements

The World Economic Forum would like to thank its Strategic Partners for their valuable support of the World Economic Forum Annual Meeting 2018.

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SOCAR (State Oil Company of the Azerbaijan Republic)
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Strategic Foundation Partners

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Further information

The event page of the Annual Meeting 2018 provides access to a richer level of content from the meeting, including videos, photographs, insights and webcasts of selected sessions. <http://wef.ch/am18>

This report is also available to download in PDF or HTML format: <http://wef.ch/am18report>

Contributors

The report was written by Mary Bridges, Kaiser Kuo, Madhur Singh and Jonathan Walter. The Forum would also like to thank the official writers of the Annual Meeting for their hard work and dedication.

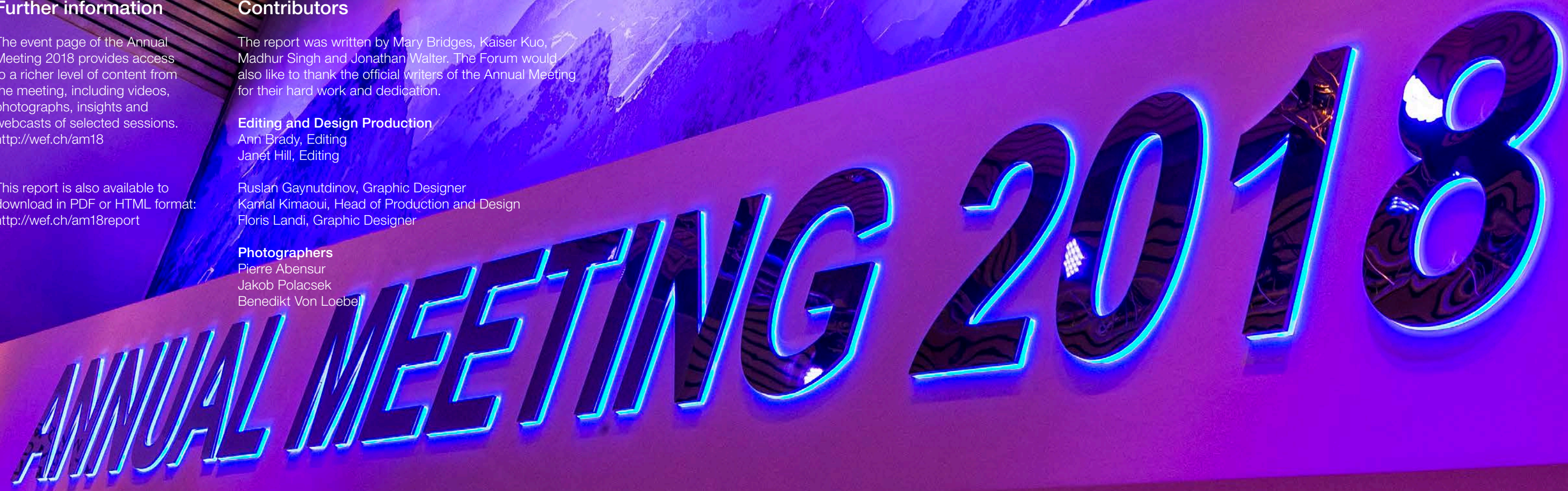
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Kamal Kimaoui, Head of Production and Design
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A large, three-dimensional metallic sign spelling out 'ANNUAL MEETING 2018' in a bold, sans-serif font. The sign is set against a background of a snowy mountain range under a clear blue sky. The letters have a brushed metal texture and are illuminated from below, casting a soft glow. The overall scene is bright and crisp, with the white snow contrasting sharply with the blue sky and the metallic sheen of the sign.





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The Forum engages the foremost political, business and other leaders of society to shape global, regional and industry agendas.

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