



samhoud



WORLD ECONOMIC FORUM 2019

**Globalization 4.0
Shaping a Global Architecture
in the Age of the Fourth
Industrial Revolution**

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Introduction

The theme of this year's World Economic Forum was "Globalization 4.0 – Shaping a Global Architecture in the Age of the Fourth Industrial Revolution". This text aims to provide an extensive summary and an objective overview of the topics and variety of views discussed during the sessions in Davos. As sources, we used the livestreams of all sessions, as well as the articles, papers and reports that can all be found on www.weforum.org.

This overview focusses on themes that are of the utmost importance when considering how we should be building a brighter future together.

Globalization 4.0¹

The challenges associated with the Fourth Industrial Revolution² are coinciding with the rapid emergence of ecological constraints, the advent of an increasingly multipolar international order, and rising inequality. These integrated developments are ushering in a new era of globalization. Whether it will improve the human condition will depend on whether corporate, local, national, and international governance can adapt in time.

Globalization 4.0 has only just begun, but we are already vastly underprepared for it. Clinging to an outdated mindset and tinkering with our existing processes and institutions will not do. Rather, we need to redesign them from the ground up, so that we can capitalize on the new opportunities that await us, while avoiding the kind of disruptions that we are witnessing today.

The unprecedented pace of technological change means that our systems of health, transportation, communication, production, distribution, and energy – just to name a few – will completely transform. Managing that change will require not just new frameworks for national and multinational cooperation, but also a new model of education, including targeted programs for teaching people new skills fitted to the new requirements of jobs. With advancements in robotics and Artificial Intelligence in the context of aging societies, we will have to move from a narrative of production and consumption toward one of sharing and caring.

Similar to the revolutions that preceded it, the Fourth Industrial Revolution has the potential to raise global income levels and improve the quality of life for populations around the world.



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If I had to select one sentence to describe the state of the world, I would say we are in a world in which global challenges are more and more integrated and the responses are more and more fragmented, and if this is not reversed, it's a recipe for disaster.

- António Guterres, Secretary,
General of the United Nations

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¹ Klaus Schwab

²The First Industrial Revolution used water and steam power to mechanize production. The Second used electric power to create mass production. The Third used electronics and information technology to automate production. Now a Fourth Industrial Revolution is building on the Third, characterized by a fusion of technologies that is blurring the lines between the physical, digital, and biological spheres.

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What do you like when you're a cross country skier? Good visibility, no uncertainty, you like it when it's kind of stable and eventually when it's a little bit downhill – risks down, no hazards along the way. The third thing you like is everybody skiing in the tracks.

- Christine Lagarde, Managing Director International Monetary Fund (IMF)

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The changes that are underway today are not isolated to a country, industry, or issue. They are universal, and thus require a global response. Failing to adopt a new cooperative approach would be a tragedy for humankind. To draft a blueprint for a shared global-governance architecture, we must avoid becoming mired in the current moment of crisis management.

World Economic Forecast 2019

“What do you like when you’re a cross country skier? Good visibility, no uncertainty, you like it when it’s kind of stable and eventually when it’s a little bit downhill – risks down, no hazards along the way. The third thing you like is everybody skiing in the tracks.”, Christine Lagarde says.

Sadly, these conditions are not prevalent - prompting the International Monetary Fund (IMF) to adjust its forecasts for global growth downwards. The latest update to the [World Economic Outlook](#) projects global growth at 3.5% in 2019 and 3.6% in 2020, 0.2 and 0.1 percentage points below [last October’s projections](#).

While Lagarde didn’t forecast a full-blown recession looming on the horizon, she painted a picture of rising risks, as trade tensions, China’s slowdown and geopolitical uncertainty all took their toll on the global economy’s recent upswing.

Geopolitical Uncertainty

Inspiration:

Three scenarios for the future

The world is still characterized by great uncertainty. Difficult relations with Russia and the Middle-East remain to fuel uncertainty in the world. Also, the trade war between the US and China raises great concerns. Today, China (and Russia) are highly connected to the world. Both Chinese and American guests at the Forum expressed to be optimistic about resolving this crisis.

Top 10 Risks by Interconnections

Source: Global Risks Report

1. Extreme weather events
+ failure of climate-change mitigation
adaption
2. Large-scale cyberattacks + breakdown
of critical information infrastructure
and networks
3. High structural unemployment or
underemployment
+ adverse Consequences
of technological advance
4. High structural unemployment or
underemployment
+ profound Social instability
5. Massive incident of data fraud/theft +
large-scale profound social instability
6. Failure of regional or global governance
+ interstate conflict with regional
consequences
7. Extreme weather events
+ food crises
8. Failure of a major financial mechanism or
institution
+ asset bubbles in a
major economy
9. Large-scale involuntary migration
+ interstate conflict with regional
consequences
10. Adverse consequences of
technological advances
+ large-scale cyberattacks

The EU

Despite having one of the largest economies in the world, the European Union remains deeply divided. Rampant income inequality poses a key challenge to the economic bloc, and one that it will have to overcome if it is to survive. Obviously, Brexit and its uncertain outcome were often mentioned as a big risk. Remarkably, the topic was not discussed as extensively as you might expect. The opinions at the Forum are quite in agreement. Europe cannot afford an uncontrollable risk; a deal has to be made or else the EU will be put back years and years. Most people at the Forum seem to share the opinion that the Brits should vote again on this important topic.

Humanitarian Crises Expected in 2019

France and the yellow jackets movement were seen as exemplary for the effects of non-inclusive globalization and should be used as a motivation to make sure that the benefits of globalization 4.0 are shared more equally and that people are not left behind.

Inspiration:

[Why Europe must stay united](#)

Crises are growing in length, number and severity. Diplomacy is failing more and more often, (war) criminals can still get away with their crimes, and there is no accountability.

The top 3 concerns are:

1. Fragile states (Yemen, Congo, Syria, South Sudan, Mali, Nigeria, Somalia)
2. Climate displacements. It is expected that in 2050, 143 million people will be displaced, but it is already happening now at a large scale, due to floods (Bangladesh, Somalia), droughts (Senegal), etc.
3. Refugees returning prematurely.

How Do We Save the Planet Without Killing Economic Growth?

Emerging economies can't follow the rulebook of the past by forging a path to industrialization using fossil-fuel technologies. To save the planet, and to make sure growth continues to lift billions out of poverty, how do we move forward in a clean, green way?





Energy

A low-carbon energy future is coming, [but we must move even faster](#). 2018 was a big year for energy, ‘the year of electrification’ as panelist Fatih Birol, Executive Director of the International Energy Agency, has called it. Electricity demand is growing faster than many of us believe, Birol says. This is mainly driven by rising incomes, especially in emerging markets.

The number one driver of energy demand may surprise a lot of people, he says. It’s air conditioners. Air conditioners are particularly prevalent in India, China and ASEAN countries, and these countries in turn are the drivers of energy consumption around the world.

Inspiration:
[keeping it cool without heating up the planet](#)

We need to choose our energy sources very carefully. No unnecessary energy plants, and we must become more efficient. We will need oil, clean coal, gas and of course renewables, but electricity is the future of energy, Birol adds.

What About China?

By the end of 2018, everyone in China had electricity, says the country's energy minister, Zhang Jianhua, and this is a huge achievement for the world's second largest economy. China has a new low-carbon, green strategy, he adds. By 2020, non-fossil energy, low carbon and natural gas will account for 15% and 10% of overall primary energy, respectively. By 2030, these numbers will be 20% and 15%. China would like to reach

peak CO₂ emissions as soon as possible, and their CO₂ emissions per unit of GDP will be lowered by 60-65% compared to 2005. Clean energy will become China's main energy sector by 2035, he adds.

Electric Cars Are No Cure for CO₂

Global oil demand is expected to increase by 1.3 million barrels a day. And the effect of five million electric cars on the road? A reduction of only 50,000 barrels a day.

Sustainability and Our Climate

Nature provides a vital foundation for economic growth, societal well-being, and human health. One calculation puts the value of services provided by nature at around \$125 trillion per

year. But we are rapidly destroying it. We've lost 60% of wildlife populations since 1970 and scientists recently warned us that we have just 12 years to avoid a climate catastrophe. Director-General of the International Union for Conservation of Nature Inger Andersen: "When we cut the forest down, malaria goes up by 40%. [...] We are losing species at an average of around 1,000 times the natural extinction rate." She calls for all companies, governments and consumers to evaluate the impact of their actions on nature. With key international decisions on climate change, oceans, and biodiversity due next year, 2020 could be a turning point.

Plastic deserves our special attention. The combination of innovation (by, for example, making the recycling of plastic profitable) and pressure (by demanding less/no plastics from companies and changing our

consumption) we can diminish this big problem. Behavior change of individuals is also very important. In one study, 50% of people put plastic bottles in the wrong bin. And the biggest culprits were men. There are simple 'nudges' that can be used to ensure that people feel good when recycling. They sound simple, but they [work](#).

Everything is technically recyclable. But it isn't always practical - because we have got the economics wrong. The demand is for things that are cheap and that often means disposable. This problem is a complex one with complex solutions, but we do have choices. We can refuse and reuse plastic.





To create a sustainable market, private corporations and governments should:

- 1.** Develop a vision on what a sustainable market should look like
- 2.** Turn from dialogue quickly into action, mainly by following the front runners
- 3.** Collaborate; work in networks together to create sustainable solutions

Governments should stimulate sustainability by regulating and taxing the markets.

We must greatly speed up our pace. Only seven countries are on track for the Paris goals. This is rather strange, concerning the

fact that sustainability will be a crucial license to play for companies. There are so many opportunities that you will miss if you don't follow up on the agreement.

Feike Sijbesma says his company, Royal DSM, started as a very polluting company. It stood for 'Dutch State Mining', but it turned into a chemical company and now into a science company. My biggest fear, he says, is that humanity does not deal with climate change fast enough.



We want a level playing field, he says, but at DSM they are already doing more than required by regulation.

“My biggest fear is that humanity does not deal with climate change fast enough. We want a level playing field”, he says, but at DSM they are already doing more than required by regulation.

“But we are not stupid”, he says, “it’s a result of both leadership and self-interest. Adopting environmentally friendly adjustments future proofs their organization.”

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We need to do more on climate change. Along with President Macron of France, we are pushing to raise Europe’s greenhouse emissions reduction target from a 40% reduction to a 55% reduction. We need to look at 3 things: (1) can people afford it, (2) does everyone understand what they need to do and is the burden shared between people and companies, and (3) is there a level playing field across Europe.

- Mark Rutte prime minister of the Netherlands

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What Should Work Look Like in the Future?

Most of the jobs that will be available in 2030 don't exist yet, while jobs that were once reserved only for humans are now being done by machines. What impact will this have on people, businesses, and governments, and how do we reskill societies to manage these dramatic shifts?





Inclusion: Education and Life Long Learning

Digital flows now exert a larger impact on GDP growth than merchandise trade, making it easier for companies to globalize with less capital-intensive business models, yet also opening new digital divides. How can we ensure that digital globalization is broad-based and inclusive? Michael Dell, Chairman and CEO of Dell Technologies, notes that countries that are the most robotized have the lowest unemployment rates. He therefore doesn't think technology itself can be blamed for the divide.

He blames a talent and skills shortage, which he says needs to be taken seriously via lifelong training and mentorship. "All of us collectively can do quite a lot to create opportunities so everyone can be included in this growth," he says. It is important to re-skill the existing workforce so that skills sets can be effectively matched to jobs.

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We have to re-skill, re-skill re-skill.

This is not one and done. It needs to be continuous.

- Keith Block, Co-CEO Salesforce.

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The World Economic Forum advises that Life Long Learning must become a global entitlement; a fundamental right, as an extension on the right to education.

We are in an education crisis; people are not learning what they need. To be able to reskill people, we need to radically change our educational systems. (Paid) apprenticeships and close cooperation between businesses and schools have proven to be successful elements in this field.

There is a whole set of human skills that are going to be important in the future. The ability to interact with clients, to create creative solutions, global skills: when talking about digitalization, it's not just knowing how to code, it's knowing how to use and apply technology. Complex problem solving and agile thinking are examples of things that computers are not going to take away any time soon.

EU countries have the best conditions for the needed upskilling (Switzerland is #1 in the world). The central question is: how do we create true Life Long Learning?



Changing Our Educational Systems

We need to change the fundamentals of our educational systems. We now mostly learn general knowledge from which we need to derive specific skills. However, the other way around is much more effective: learning specific skills first (through apprenticeships!) and then abstract general knowledge from it.

Our educational systems have to shift from access to knowledge (which, today, can be done with the touch of a button) to focusing on the question what you can do with it.

It starts at the early childhood; children are natural learners. They learn by playing and have a natural curiosity. These are fundamental for creativity and innovation at a later age. We need to stimulate this much more, also at a later stage of life. Instead of pushing children to become adults, we should stimulate adults to be more like children.

It is fundamental that we teach our youth how to learn – more specifically; how to lifelong learn. The key to do this is, of course, to make sure learning is fun. This means to avoid working with instructions and restrictions. We don't need people who follow orders; we need people who are creative, who can solve problems, who can work together well with others and who know something about programming.

Our schools teach us how to pass tests. But nobody will ever ask you: "solve this problem for me, but don't talk to anybody, don't use books or look on the internet for information!". Unfortunately, schools are still funded by how well their students perform on these tests. Especially when testing them on content that hasn't fundamentally changed for over a century.

It is vital that we create learning environments that stimulate creativity and curiosity. We do not only need to teach our children the right skills, but we also need to teach their teachers and ourselves because we all need these 21st Century skills.



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But nobody will ever ask you: solve this problem for me, but don't talk to anybody, don't use books or look on the internet for information!

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Who Should Pay for the Reskilling Revolution?

Artificial Intelligence will replace masses of jobs but will also create many new ones. That could happen in one of two ways. Either younger workers move into the new jobs replacing older workers. Or those existing workers can be reskilled.

[A new report](#) looks at the cost of reskilling workers displaced by the Fourth Industrial Revolution. But, as the data show, if it's all left to employers, there'll still be a long way to go.

The report's conclusion is encouraging. It found that 95% of the 1.4 million US workers who are expected to be displaced in the next decade can be transitioned to new positions with similar skills and higher wages. But the total cost of reskilling all these workers is \$34

billion - an average of \$24,000 per displaced worker. So, who will pick up that bill?

Businesses need to weigh up the expenditure of redundancy pay and the cost of recruiting, along with the loss of productivity during the retraining period and the impact on staff motivation of any job losses.

For the government, the cost of not reskilling someone must be weighed against welfare payments, the missed opportunities of tax revenue and the wider societal implications of a loss of well-being. The report develops a model to weigh up these costs. The model shows that, with an investment of \$19.9 billion, the US government could reskill 77% of workers with a positive cost-benefit balance.

When it comes to the private sector, an overall investment of \$4.7 billion could reskill 25% of all workers in disrupted jobs with a positive cost benefit balance. And - if public and private sectors worked together to ensure economies of scale and multi-stakeholder initiatives, those figures could be improved even further.

The transition towards a skilled workforce will be ugly on the short term; it requires great speed, effort, resources and we started too late. We still react in "Globalization 3.0 ways" .



Inclusive Access to Technology

Ensuring financial inclusion is critical, and digitization can aid in doing this. It's important to open up the financial system to traditionally marginalized people and the opening up of technological access is key to achieving this. Poorer communities need access, especially as there is high creativity and entrepreneurship in such communities.

Rising digital inequality is as dangerous as rising income inequality, which has become clearer as unrest around the world grows due to widening resource gaps.

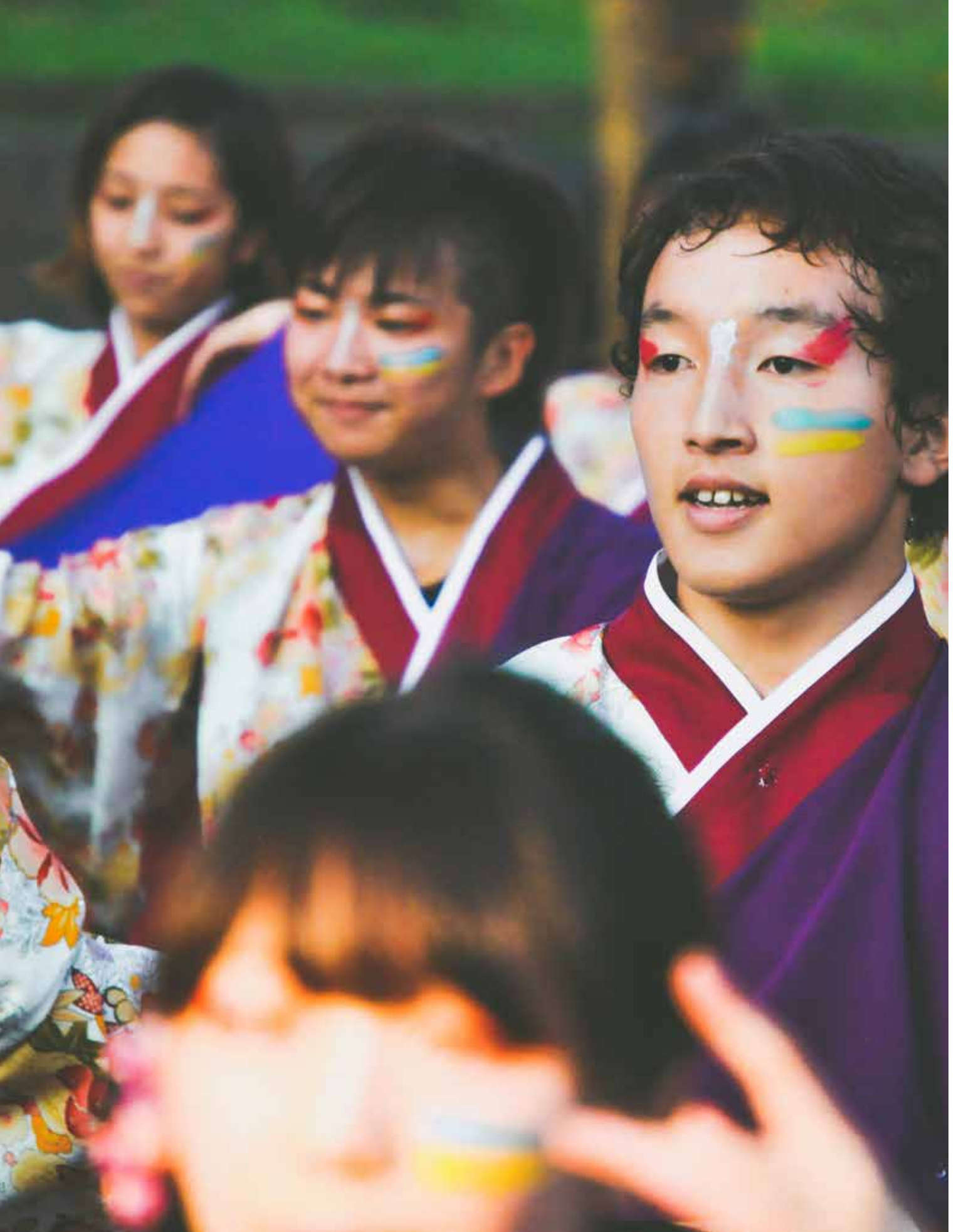
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Rising digital inequality is as dangerous as rising income inequality, which has become clearer as unrest around the world grows due to widening resource gaps.

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While there's a digital divide, technology has made a significant contribution to society. We shouldn't overlook the role technology is playing to enable small and medium enterprises to scale up rapidly. This has also proven beneficial to women and other marginalized groups.

Digital equality in many ways is easier to solve than physical divides like ensuring access to clean drinking water, globally.



Inclusion of Women

The future of work can create as many as 58 million new jobs. With adequate reskilling, 95% of the most immediately at-risk workers in the US would find good-quality, higher-wage work in growing job families. How can we ensure that women are appropriately represented in growing roles and sectors in the future?

Inspiration: the glass ceiling

The fastest way to generate additional economic growth would be to include women in the workforce at all levels. Women are particularly underrepresented in the technology space, and there were many more women in this sector in the 1980s than there are today.

AI and machine learning are becoming fundamental to how all technology is built, when one considers phones, banking and many other products and activities. It's important, as we go forward, that we are designing and building that tech in the right way. Many algorithms are biased because they were designed and built by white males.

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Women's participation is 20% less than men in labor markets at a global level.
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Inclusion of People with a Disability

There are 1.3 billion people in the world currently living with a disability, both in visible or invisible form. People with disabilities are among the most marginalized populations in the world; and often are deprived of access to employment. 80% of disabilities are acquired between the ages of 18 and 64 – the workforce age. According to the ILO, the cost of exclusion of people with disabilities represents up to 7% of GDP in some countries. With higher revenue, a strong company culture and brand, a disability-inclusive business strategy promises a significant return on investment.

Only businesses have the power to tackle this big problem. What are actions that business leaders take to recognize the value and worth of the 1.3 billion people living with a disability? The biggest challenge for business leaders is to talk about it with confidence and to put it on the agenda.

If businesses include people with disabilities, so will society. To develop a solution to this important topic, a new campaign holding business leaders to

account on disability was launched in Davos: **Valuable 500's #Diversish**. The campaign aims to release the social and economic potential of the 1.3 billion people around the world who live with a disability.

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How Do We Make Sure Technology Makes Life Better Not Worse?

Are we mastering technology, or is it mastering us? As the lines between privacy, identity and security become increasingly blurred online, how do we ensure we maximize the benefits of future technology without suffering its consequences?

Conditions for a Better Life with Technology

In 2019, a lot of technology is reaching an important tipping point. Especially AI, Blockchain and the implementation of 5G networks. 5G will decentralize computing, data and digital services. This will result in a new focus on local economies.

[Inspiration: how 5G will revolutionize the digital world](#)

All these new technologies will greatly impact society as we

know it. To make our lives better, the development of new technologies should comply with a few demands and conditions:

1. It should be **inclusive**. Open to all and making use of the power of diversity. When designing goods and/or services, we should always start with inclusion in mind. If not, the product will exclude a lot of people; with a disability, but also left-handed people, etc.

2. The workforce is not yet ready for it; there is a great need to **reskill people**. New technology could and should aid in this process.

3. It needs to be sustainable. Where Globalization 3.0 resulted in ecological disasters, 4.0 should be **sustainable** if it wants to be accepted by the masses.

4. It should create and sustain **trust**: the technology for



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Trust has to be the highest value... Then everything will flow. When you put yourself above others, you really put yourself at odds with the future.

- Marc Benioff, Founder & CEO Salesforce

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instance should not compromise our democratic processes, it should respect our privacy, and it should be secure (against theft, fraud, etc.).

If Globalization 4.0 (and also the technology that accompanies it) complies with these demands, it can become a positive narrative. Globalization 3.0 does not have this positive image, in spite of the fact that it lifted a lot of people from poverty. In absolute numbers; we have less people living in





poverty now than 100 years ago, even though the world population is seven times as large.

Technology, especially 5G will speed up the empowerment of people even faster. To realize this, it is very important to work in partnerships. Only together, we

will be able to produce the solutions we need.

Salesforce Founder and Chief Executive Officer Marc Benioff stresses that building trust is of critical importance. At Salesforce, this value was personified with the hiring of a Chief Trust Officer.

“Trust has to be the highest value... then everything will flow. When you put yourself above others, then you really put yourself at odds with the future,” he says.

Data and the Greater Good

Data can be used for the greater good. Companies use it mainly to improve their service to customers. It is also used to improve evidence-based policy making and creating “agile governments”. This is already done in several countries. For instance, in India, data is being used to monitor growth and the satisfaction of citizens and China used data and AI to realize a more effective agriculture.

For this to work, data needs to be available though. In the EU, strict privacy rules are implemented that have consequences for the speed of these developments. These kinds of rules protect our fundamental rights. People should be in the lead of data, not data in the lead of people.

Satya Nadella, who has been shifting Microsoft’s focus to cloud computing, says he would welcome clearer regulations as every company and industry grappled with the data age. He praises [GDPR](#), the European regulation on data protection and privacy that became effective last year.

A big problem concerning data is that the Big 5 (Apple, Amazon, Alphabet, Microsoft and Facebook) possess our data. We provide it to them for free and they are exploiting it. Also, by buying companies, they buy intellectual property. Because they possess this information, they can manipulate our information systems.



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My own point of view is that it's a fantastic start in treating privacy as a human right. I hope that in the United States we do something similar, and that the world converges on a common standard.

- Satya Nadella, CEO Microsoft

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Healthcare

The cost of poor health could reach 15% of GDP in advanced economies by 2050. Global spending on health will almost triple from \$9.21 trillion in 2014 to \$24.24 trillion in 2040. How can policymakers and healthcare providers get better at preventing illnesses before patients arrive at the hospital door?

Prevention is better than cure. The world will be home to nearly 9.7 billion people by 2050, putting unprecedented stress on healthcare resources. Technology will help. But people also need to be motivated to lead healthier lives.

One of the biggest impacts of new technology - and perhaps the most life-changing - will be felt in healthcare. Diagnosis of illness will be fast and efficient, and medicine will be highly personalized.

Wearable technology will be the norm, and we'll know that we are sick before we even experience a single symptom. Meanwhile, new drugs will come to market at breakneck speed as clinical trials get faster and more accurate.

Inspiration:

[pharma industry must drive change](#)

Mental Health

One in four people will experience mental illness in their lives, costing the global economy an estimated \$6 trillion by 2030. The biggest mental health problem in the world isn't depression, as you might expect: [it's anxiety disorders](#), which affect an estimated 275 million people worldwide. Companies have to create a mentally healthy and mentally friendly environment. Companies should define how they want it and should take steps to deal effectively with depression in the workplace. There are, however, a few basic principles. You need to have a peer program in place, you must have clear policies of non-discrimination and parity and if somebody takes a break for mental healthrelated issues and comes back to work, there must be no discrimination.



Freedom of Speech and Defending the Truth

The trust in our democratic institutions (the free press, among others) is actively being attacked. A healthy democracy is built upon a common view and one element of this view is that you can't choose your own facts. Opinions as facts and facts as opinions are very dangerous.

Along with the declining trust in facts, trust in science and technology is also damaged. The dangers are wide-ranging: antivaxxers people who are opposed to vaccination, rise of populism, polarization, etc. We should educate people better to distinguish facts from fake news and to see the value of scientific knowledge.

This education must already take place at a very early age. The scientific community also has a duty to build a new narrative and engage in a continuous dialogue about what they are doing. They should also invest in good PR and advertising to explain their research to the public.



How Do We Create a Fairer Economy?

Rising middle classes in India and China have felt globalization's benefits, but there are still hundreds of millions of people living in conflict-ridden states who have been left behind. How do we create a global economy that works for the 99% and not just the fortunate few?

Shaping a New Market Architecture

AI & data are considered the new oil. But data is infinite; unlimited like sunshine. Because large companies have so much data, it is a serious risk for start-ups to not be able to enter the market. It is possible but becomes more difficult.

Should big tech companies be regulated? Regulation by governmental organization can

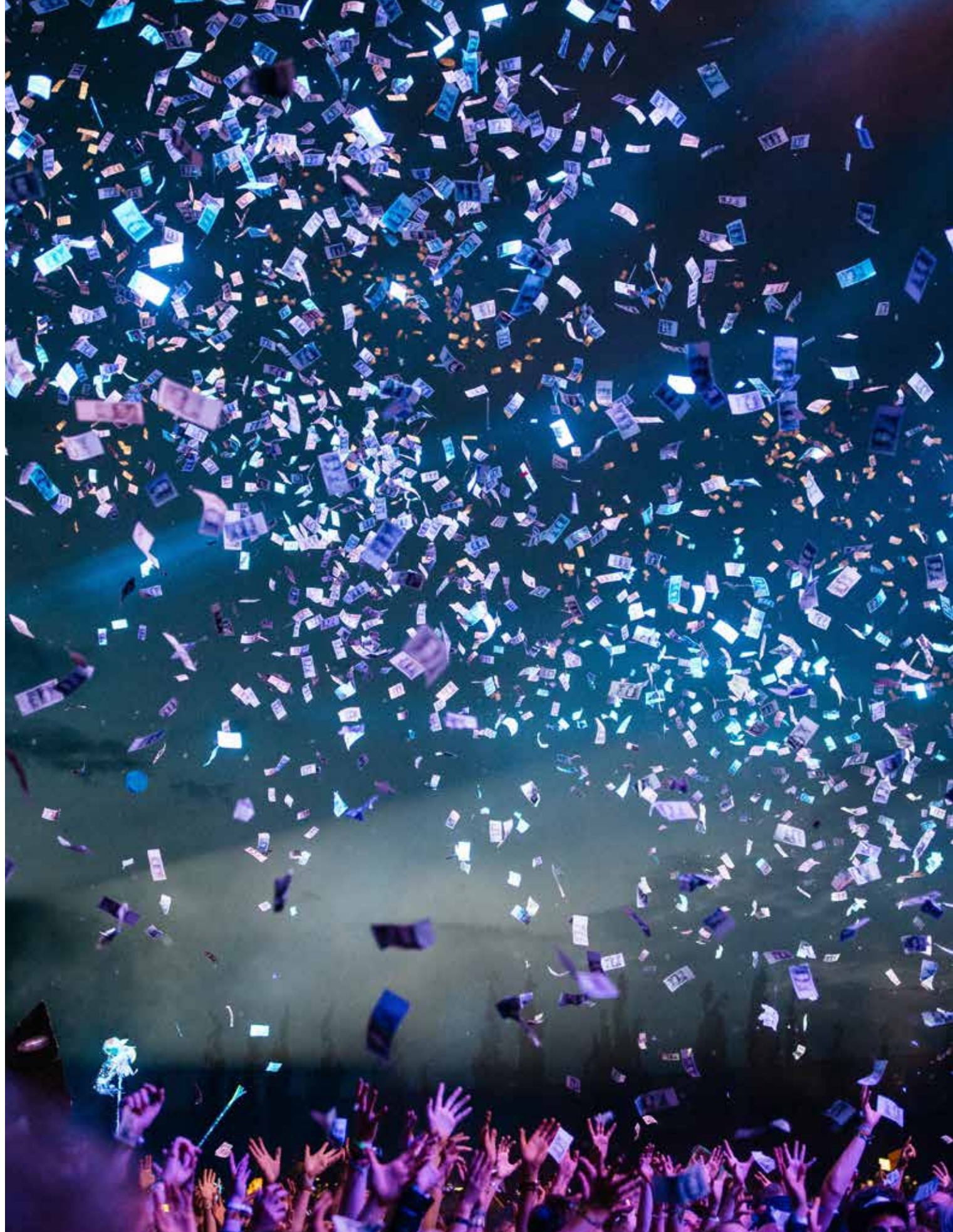
limit innovation and growth. Governments should regulate important themes like privacy and safety. But especially concerning new technology – that is often considered scary – self-regulation could be considered, preferably in cooperation with scientists and policymakers. Together they can prepare society for new technologies.



Fighting Corruption and Tax Evasion

The Forum provides eight ideas for tackling corruption:

- 1.** Education is really the first defense. You can't teach values when people are 40 years old. We cannot start early enough.
- 2.** Big companies need to help the smaller companies because they are much more susceptible to bribes.
- 3.** 'Name and fame' rather than 'name and shame': others need to know when companies are doing the right thing.
- 4.** Introduce a Declaration of Assets and Liabilities Bill: If you come into office with one vehicle that works and one that doesn't and then leave office with a Ferrari and an apartment in Davos then something is clearly wrong.
- 5.** Engage in Research and Development. The corrupters fight back. It is important for companies to keep up.
- 6.** Get citizens to monitor and support surveillance of public contracts.
- 7.** Make the case for investing more in enforcement. Germany would have missed out on hundreds of millions of euros if it were not for the Panama papers. As a result, Germany is now investing more in enforcement, because it clearly pays off. Other countries need to catch up as well.
- 8.** The EU needs an independent prosecutor's office with judicial authority. Europol is not able to handle the task of fighting corruption.



What Should Leaders Do?

To be successful in the era of Globalization 4.0 leaders should certainly do a few things:

- 1. Make sure to have a higher purpose.** People want to work for your organization because of its purpose; they will stay for its culture. Be sure to make this purpose measurable and to make management and leadership accountable for living the purpose.
- 2. Invest greatly in (re)skilling people.** The focus shifts from hiring people to reskilling them, because the global talent pool is limited. #1 and #2 of this list are also # 1 and

#2 on the list of demands by young people so these two points are extremely important to get and to keep new talent.

3. Focus on diversion and inclusion; there is a lot of unused potential to be won here.

4. Technology is the baseline for winning. Businesses should be intelligent: they should use data to really know their customers and to provide them with innovative solutions and they should be completely transparent on how they use the data.

[Inspiration:](#)
[CEO-priorities for success in 2019](#)

Business leaders basically face two crises at the moment: a trust crisis and a skills crisis. Although trust is at an all-time low, companies are being trusted more

than governments – people especially trust their managers and their CEO's. This means that these CEO's have a responsibility to get involved in the dialogue with people and their governments as part of their responsibility to take care of their employees.

To rebuild trust, it is vital to have a higher purpose and a strategy that involves all stakeholders. As a company you have to live according to this purpose and to guard your brand accordingly. This is not only the right thing to do, but also more and more demanded by (potential) employees, customers, and other stakeholders.

Millennials are loyal to ideas, not to brands. As employees, they want a unity between “making a living” and “contributing”.

When asked if technology will make your life better, people are divided: about 50% says yes, 50% says no. We must make technology much more inclusive to gain more trust. You will not convince people of technology’s benefits when their jobs are being taken away by it. We have to focus on (re)skilling people and hire people based on their skills or ability to learn these skills and not only focus on attaining top talent. The majority of the skills we need can be done by the majority of the people.

Oxfam estimates that a 0.5% increase in tax on the richest 1% could raise more than it would cost to educate all the children currently out of school and provide healthcare that would save the lives of 3.3 million people.

The gap to financing the Sustainable Development Goals remains in the trillions; yet pledges from international financial institutions only amount to \$400 billion. How can public and private actors create an environment to attract private capital and more efficiently disburse public funds for inclusive and sustainable development? Regardless of how we calculate, the number of resources required to meet

this development gap is enormous. The public sector can't do it alone. Working together has never been more important. People should be hopeful that no matter how big the challenges, working together and each participant playing their rightful role, we can make very significant progress, there is still much work to do.

Inspiration:

the six market gaps the finance sector must address





Redesigning Our Social Systems

A lot of people don't receive the benefits from their hard work. To counter social unrest and populism, we must at least make sure that the social system is very good. We should not protect jobs, but we need to protect people who cannot keep up with a social system that prevents people to fall below the poverty line. We need to share the economic benefits more equally and create equal opportunities for everyone.

It is agreed that we need to (re)skill people in a way and on a scale that we have never seen before. People need to be (life-long) educated and provided with access to technology. For the people who are still threatened to be left behind, it is suggested to rethink our social contracts. Suggestions of this new social contract are for instance implementing adjustments for redistri-



butions, a fixed income (quite expensive; 6,5% of GDP, fits developed countries), and gradual taxation (better for developing countries). The advantage of a fixed income is that it provides a large sense of security. A sense of security is very important for the (mental) health of people and directly influences their productivity and creativity. Also, it supplies people with a basic sense of (republican) freedom.

Current US unemployment services (which cost billions) fail in 66% in helping people to a new job. This is because they are designed more than a century ago, to better distribute the benefits from the first industrial revolution. There are three main problems with the current unemployment services:

- They do not fit the challenges and problems of today.

For example, 8 out of 10 jobs are not advertised, but the vacancies are filled by leveraging on people's personal networks. Without such networks, it is very hard to get a job.

- They do not fit our modern social structures. For example, they still assume that woman remain at home most of the time.
- They do not fit new kinds of inequality and poverty. For example, the lack of a good network.

Modern social systems should no longer be designed at the top and rolled out. Instead, people should be in the center of the design. People should work in small groups, ask people what they really want and who they need to make this happen. With the use of technology, you can

bring people together in networks and help them to help themselves. We need to develop the capabilities for this (networking, helping others, etc.). This way, we will be able to replace social systems that only come into action when it's already too late.

How Do We Get Countries Working Together Better?

Global GDP has doubled since 1990, but globalization's future is no longer about only physical trade. It is about knowledge, information, and technology. How can we encourage nations to cooperate more efficiently to enable more inclusive, sustainable societies?

Future Frontiers of Technology Control

The fusion of technological breakthroughs blurring physical and digital spaces will determine not only the shape of the global economy, but also which nations and emerging actors will assume the commanding heights of geopolitical dominance. We have seen that societies that dominate technologies have dominated geopolitics, and disproportionate benefits go to first movers.

The technological arms race for primacy has essentially become a two-horse race. If you are looking at AI, quantum computing and bio engineering, it is a race between the US and China. About AI, president Putin said: "the winner of this race will rule the world."

China is winning the race so far; What oil is for Saudi Arabia, data is for China. What helps China to win this race is that there are no privacy restrictions and they have an enormous population that is doing business online (50x more mobile spending per person than Americans).



Working Together

Canada's Minister of Foreign Affairs Chrystia Freeland kicked off discussions by saying that the rules-based international order is facing its greatest challenges since it was created. But she goes on to say that the fightback has begun. And she draws a parallel with a garden: "To keep your garden fertile and growing is a constant fight, a fight against the weeds, the pests, the animals of the forest. We got complacent ... now we need to spend some time pulling up the weeds and sowing seeds."

Wang Qishan, Vice-President of the People's Republic of China is optimistic about This relationship with the US. The relation between the US and China is extremely important. Wang explains that the mutual dependence will lead to cooperation. One can simply not exist without the other.

China: the Belt and Road Initiative (BRI)

Vice-President Wang refers extensively to the Belt and road Initiative to stress China's ambition to open up-, and work together with the rest of the world. The Belt and Road Initiative will involve an estimated \$1.5 trillion of Chinese investment in infrastructure across South-East Asia, South Asia and Central Asia over the coming decade.

There are two things everyone needs to know about the Belt and Road. First, as officials in Beijing will tell you, this grand project is measured in decades, with its conclusion planned for 2049, the centenary of the founding of the People's Republic of China. Second, the initiative is both global and revolutionary. Its aim is to create a new order in world politics and the world economy.



What will the world look like after the Belt and Road? In the first Belt and Road summit in 2017, Xi Jinping hailed it as the “project of the century.” If all goes according to plan, the Belt and Road will change the shape of the world economy and world politics, returning us to a time when China occupied the center of global networks.

As it expands, the Belt and Road is bound to become increasingly futuristic. Self-driving vehicles on land, sea and air and trillions of connected devices worldwide will be empowered by a Belt, Road and Space fleet of China-centered satellites. Chinese companies are already planning to engage in deep-space economic activity, like building orbit solar power plants, and mining asteroids and the moon.

Vice-President Wang: “20 years ago everyone talked about the railway from Beijing to Shanghai.

They said it was not worth the investment. It has been in operation for 7 years and is the most beneficial, both economically and socially for China. [...] We have to choose the right project. We have to measure the performance and results of those projects. Risks do not stem from those projects; they stem from people and other factors. The Minister says economic reform has created a lot of economic opportunities for China. Even 10 years ago we could not imagine this. BRI is further opening up to the world. Our companies want performance and efficiency. BRI is a long-term project. You need to strike a balance between long and short-term benefits. BRI is mutually beneficial. Chinese companies benefit from their investments too. BRI is not just about China, it’s an open project and open initiative which is open to the world and everyone can be part of that.”



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Together we build a brighter future
We achieve breakthroughs by inspiring and connecting people

