

Too Much Gloom at Davos

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The organisers of the World Economic Forum (WEF) do not always get the selected theme quite right. Some years, the great and the good who attend the annual uber-capitalist event in Switzerland are on a different page. But in 2024, the WEF's theme [‘Rebuilding Trust’](#) seemed to be right on the mark. Threats ranging from armed conflict and climate change to autarkic industrial policies, inflation and social unrest which dominate the news cycle and seem to imply that the world has become a less cooperative and trusting place.

Many of the class of 2024 expressed [a degree of pessimism](#) seldom seen previously in Davos. In his opening address, WEF founder and executive chair Klaus Schwab set the tone: “We face [a fractured world](#) and growing societal divisions, leading to pervasive uncertainty and pessimism. We have to rebuild trust”. European Commission president [Ursula von der Leyen](#) said that “our world is in an era of conflict and confrontation, of fragmentation and fear ... there is no doubt we face the greatest risk to the global order in the post-war era”.

“The collective mood of the 2,800 participants is anything but cheery,” said the [Guardian’s preview](#) of the event. [The Atlantic Council’s](#) review argued that ‘geopolitical gloom’ had ‘pervaded the World Economic Forum’. South African journalist Tim Cohen, who covered the event, described ‘the tone’ of its final session on the global economic outlook as ‘cautious to negative’.

Much of the gloom is geopolitical. Current wars in the Ukraine and Gaza were on participants’ minds as were tensions elsewhere including Taiwan, the Red Sea, elsewhere in the Middle East and Venezuela/Guyana. Africa’s spate of recent civil wars and coup d’etats did not make it onto the agenda. But perhaps the biggest issue was uncertainty over political continuity in the United States with the prospect of a second [Donald Trump presidency](#) – and its potential for further geopolitical disruptions – being repeatedly cited (and mostly downplayed) by speakers in the final session.

There are always difficulties interpreting the Davos event. It is, after all, primarily a marketing and networking platform. Sometimes there is a standout keynote speech, around which discussion can crystallise – Chinese president [Xi Jinping's](#) vigorous defence of globalisation in 2017 or [Donald Trump's](#) assertion that “America First” did not mean “America alone” the following year.

But this was not the case in 2024. While networking and the marketing of investment destinations, companies and products, continued much as they have in previous years, no single standout feature commanded attention. The branding and promotion of Artificial Intelligence (AI) was [heavily in evidence](#) but, like much of the discussion on the topic elsewhere, opinions were at best speculative. [Cloudflare CEO Matthew Prince](#) summed up the current state of play on AI by observing that no one has yet worked out how to monetize the innovation.

The absence of a focal point left the gloomy narrative of lost trust and the need to regain it at the centre of attention, succeeding last year's similarly downbeat theme, ‘Cooperation in a Fragmented World’. It is however worth pointing out that the gloomy narrative was in fact a creation of the WEF itself.

The negative attitude started with the opening session where the WEF launches its annual [Global Risk Report](#), based on a perceptions survey of the views of experts (1 490 of them) across two and ten year timeframes. At the [media briefing](#) for the Report (the 19th), John Scott of the Zurich Insurance Group, argued that players face ‘a more complex, fast moving and fragmented world’ and commented that global collaboration to address risks had become ‘largely ineffective’.

Carolina Klimt of insurance broker and risk consultants Marsh McLennan, which was involved in the survey, argued at the same briefing that the main risk for 2024, in her company's view, was digital security. She was especially concerned about its impact on logistics and global supply chain integrity. This dovetailed with geopolitical concerns about access through the Red Sea and climate risks, with drought currently affecting the viability of the Panama Canal.

According to the Global Risks Report, over the next two years the major threats are expected to be: 1) misinformation and disinformation; 2) extreme weather; 3) societal polarisation; 4) interstate armed conflict; 5) lack of economic opportunities; and 6) inflation. ‘Misinformation and disinformation’ (fake news), is presented as an especially critical risk in 2024, give that 3 billion people will be [voting this year in elections](#) including the US, India, probably the UK, Indonesia, South Africa and most of Europe.

How seriously the Global Risks Report is taken is a matter of perspective. Misinformation and disinformation could be a huge issue in the 2024 US elections. But it's hard to see the leaders of many

countries in Africa, Asia and Latin America agreeing that it should be ranked ahead of national debt, inflation, austerity, and a range of social issues.

In the longer term (10 years), the top three threats are environmental: extreme weather, critical changes to earth systems including biodiversity loss, and a shortage of critical resources. In the questionnaire, climate change is no longer listed as a 'risk' but is part of "the [structural context](#) in which risks need to be analysed". As a topic, climate change was a less prominent at WEF 2024 than it has been in recent years with some critics attributing this to the influence of big events funders like the [Gulf monarchies](#).

Events' organisers have every reason to set up a theme for discussion, even if it is controversial, and the World Risks Report fills this role very well. Unfortunately, this compelled many high-profile speakers to take a downbeat outlook as a given starting point. But this was somewhat contrary to some of the hard data released around the event. The IMF predicts improved global growth (3 percent) in 2024, compared to the previous year, a 'soft landing' as the US economy brings down inflation without hampering growth, and commented on "the [remarkable resilience](#) shown by the global economy in 2023". These are hardly reasons for gloom.

The WEF may not be the power it was before the 2020 pandemic. The presidents of neither the US nor China have attended since 2018 and [only 11 African countries](#) sent delegations this year. The guest list is certainly less sparking than it was in [2019](#) when it included David Attenborough, royalty, Bill Gates, Tim Berners-Lee and assorted Hollywood glitterati.

The WEF may in fact have oversold itself as a sort of global parliament for capitalist interests when it is in fact nothing of the sort. It cannot pass binding resolutions, hold anyone to account or implement collective decisions. Indeed, some commentators are [asking if it is still relevant](#). But a platform where powerful decision-makers meet informally has a role to play, perhaps a critical one, if the international community is as fragmented and fragile as the WEF says.

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