

World Economic Forum Annual Meeting 2008

Executive Summary

Davos, Switzerland 23-27 January



COMMITTED TO
IMPROVING THE STATE
OF THE WORLD

The Power of Collaborative Innovation

Purpose

For over three decades, the World Economic Forum Annual Meeting has provided an unrivalled platform for leaders from all walks of life to shape the global agenda at the start of each year. At the core is its multistakeholder model that leverages the collective wisdom of leaders from business, government, the media, academia, the arts and civil society by building a global platform for collaboration and action to address priorities on the global agenda.

The Power of Collaborative Innovation

Looking to the future, it becomes readily apparent that complexity, competing interests and scarce resources remain the greatest obstacles to progress on the global agenda in the absence of greater leadership and global stewardship. It is in this challenging context that the World Economic Forum will highlight **The Power of Collaborative Innovation** as the principal theme for the Annual Meeting 2008 in Davos.

A "shifting power equation" was the framework in which the global agenda was discussed in Davos at the beginning of 2007. As we look towards 2008, this shift will continue to influence the strategies of business, government and other stakeholders in the world economy. But closer examination of the international environment also reveals that leadership vacuums are beginning to emerge on a wide range of critical issues looming on the horizon. Moreover, a paradox has emerged in our networked world where knowledge is ubiquitous and change is rapid, but the absence of a common vision and agenda ensures that the status quo will be maintained with respect to major global challenges.

The focus on **collaboration** and **innovation** underscores the opportunity to leverage the Forum's multistakeholder model so that platforms can be built for like-minded communities to initiate necessary changes together.

In this regard, 2008 will also witness a number of innovations that will make the "Spirit of Davos" more powerful. One such innovation is **WELCOM**, which integrates Web 2.0 technology in a new collaborative intelligence platform for the Forum's community of 10,000 global leaders who represent all sectors of society. **WELCOM** is the result of the joint effort of a number of Strategic Partners of the World Economic Forum.

The Annual Meeting 2008 programme will also harness the wisdom and experience of next year's diverse and international Co-Chairs: **Tony Blair**, Prime Minister of the United Kingdom (1997-2007) and Member of the Foundation Board of the World Economic Forum; **James Dimon**, Chairman and Chief Executive Officer, JPMorgan Chase & Co.; **Henry A. Kissinger**, Chairman, Kissinger Associates; **Indra K. Nooyi**, President and Chief Executive Officer, PepsiCo; and **Wang Jianzhou**, Chairman and Chief Executive, China Mobile Communications Corporation.

In conclusion, the Annual Meeting 2008 will provide our members and constituents again with the strategic insights, ideas, initiatives and solutions to confront the political, economic, social and, above all, business challenges in 2008.

On 23-24 August, 48 members of the International Business Council (CEOs of the world's top companies) met in Geneva to help prepare the programme and ensure its business relevance.

The programme will continuously be adapted to reflect the latest economic and political developments of the next four months. Based on current registrations, we foresee that the Annual Meeting 2008 will once more bring together the world's most influential and relevant global decision-makers.

30 August 2007

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Conceptual Pillars of the World Economic Forum Annual Meeting 2008 Programme

A variety of trends and assumptions will drive the development of next year's Annual Meeting programme under the principal theme of ***The Power of Collaborative Innovation***. An **interdisciplinary and systemic view** of the major economic, political, societal and technological forces currently at work in the world form the conceptual pillars of the 2008 programme and the framework for the global agenda in Davos.

The Annual Meeting 2008 programme will be based on the following five conceptual pillars:

■ Business

Competing While Collaborating

■ Economics and Finance

Addressing Economic Insecurity

■ Geopolitics

Aligning Interests across Divides

■ Science and Technology

Exploring Nature's New Frontiers

■ Values and Society

Understanding Future Shifts

Competing While Collaborating

- Globalization will continue to reward those companies that excel at collaborating internally and externally. Innovative products and services, and their speed to market, are increasingly dependent on a firm's ability to work in an interactive and integrated fashion, linking all its centres of excellence for a common purpose.
- The way we work is becoming more self-organized, open and at times disruptive with the introduction of Web 2.0 technologies and new collaborative platforms.
- Industries are also discovering that much of their future growth depends on the ability to collaborate with different actors to build public-private partnerships, galvanize multiple stakeholders and work with fast-growing competitors. This collaboration requires trust and transparency and zero tolerance for corrupt practices.

- In this context, market leaders are also becoming global corporate citizens as agendas are increasingly being shaped outside the traditional framework of states/nations; global corporations not only have a license to operate in the global system but also have a "civic duty" to contribute to the sustainable "health" of this global system in cooperation with governments and civil society.

The key is to allow competitive and collaborative impulses to coexist inside and outside the corporation. Therefore, the Annual Meeting programme will, by design, generate insight and guide action to improve the competitive and collaborative advantage of business.

Addressing Economic Insecurity

- The meltdown in the US sub-prime market, and the ensuing international credit drought, laid bare the reality that global financial markets are still navigating uncharted waters despite the proliferation of sophisticated algorithms and the securitization of credit risks. Lingered uncertainty in various markets reflects the need to rethink underlying risk management models.
- Concern also remains over the growing global influence of private equity firms, hedge funds and sovereign wealth funds with respect to the governance of some of the world's largest corporations.
- Shareholder activism is also much more pervasive; minority shareholders are increasingly driving key strategic and operational decisions typically made by a company's management team.
- As uncertainty looms over the US economy, there is more confidence in China and India and other emerging markets assuming the driver's seat for global growth – despite the fact that over 50% of the global economy still rests in the hands of G7 countries.

The future direction of markets from now until the Meeting in Davos cannot be predicted. Therefore, the Annual Meeting programme will feature sessions focusing on how to mitigate risks going forward to ensure a brighter economic outlook.

Aligning Interests across Divides

- Future generations are set to inherit a world replete with such global challenges as climate change, non-proliferation, terrorism, income inequality, natural resource scarcity, and spiralling healthcare and retirement costs.
- Countries endowed with energy and natural resources – such as the Arab Gulf States, Iran, Nigeria, Mexico, Brazil, Russia and South Africa – are demanding a greater voice in global governance and international business.
- Africa's development is increasingly viewed either through a geopolitical or mercantilist lens which, given the region's challenge of reform, is a worrying new trend.
- Rebuilding efforts in Iraq and Afghanistan are facing growing uncertainty in terms of future international support.
- G8 member countries (e.g., the US, UK and Russia) are entering major election years while some, such as France and Japan, have new leadership teams at the helm.
- Although challenging the status quo is a trait of any "new champion", the fact remains that in any future "concert of powers" the United States, Japan and the EU must work alongside new champions, such as Brazil, Russia, India and China, to improve the state of the world.

Therefore, the Annual Meeting programme will intentionally generate insight and guide action to improve the alignment of the global and regional agendas across various divisions.

Exploring Nature's New Frontiers

- Science and technology are an inescapable presence in every facet of life. Almost every major policy issue on the global agenda has a scientific dimension; ageing societies, climate change, disease eradication and natural resource management are but a few of the most pressing examples.

- With advances in nanotechnologies, genetics and computer science in combination with other disciplines, the extent to which mankind can control and manipulate the natural world is reaching beyond the comprehension of the general public.
- At the same time, the mysteries of knowledge, memory, learning and emotion are unravelling with advances in brain and cognitive research.

Therefore, the Annual Meeting programme will delve into developments in science and technology that will reshape how we live and work in the years ahead.

Understanding Future Shifts

- Despite the use of the term "soft power" in the last decade, most have yet to contemplate the emergence of a Chinese, Arab or Hindu civilization that would usurp the dominance of western cultural and economic influence in the near term.
- Though much more international attention is now being placed on bridging cultural and religious divides, diversity and migration are becoming contentious issues in a variety of political settings worldwide.
- Western nations remain confident of maintaining their competitive advantage in technology, innovation, productivity and education for the foreseeable future. However, history has shown that the status quo does not prevail forever.
- One scenario to contemplate is the growing political and cultural influence of Asia in contrast to its expected future economic power. In 2008, ASEAN will launch its new regional charter, Japan will host the G8 Summit and China will host the Olympic Games.

In this context, the Annual Meeting programme will explore various facets of the cultural and normative shifts taking place today that are emerging from various regions of the world.