

“The Indian participation at Davos has become very sophisticated over the years...”

Prof Klaus Schwab spoke to **Sailesh Kottary** at the World Economic Forum's India Economic Summit which was held in New Delhi in end-November 2005. Prof Schwab discussed the origins of the Forum, the relevance of the Forum's Annual Meeting at Davos and the India Everywhere initiative slated for Davos 2006

THE WORLD ECONOMIC FORUM is an independent international organisation committed to improving the state of the world by engaging leaders in partnerships to shape global, regional and industry agendas. Incorporated as a foundation in 1971, and based in Geneva, Switzerland, the World Economic Forum is impartial and not-for-profit; it is tied to no political, partisan or national interests. The Forum is under the supervision of the Swiss Federal Government.

The Forum's motto is 'entrepreneurship in the global public interest'. It believes that economic progress without social development is not sustainable, while social development without economic progress is not feasible. The World Economic Forum's vision is threefold. It aims to be the foremost organisation which builds and energises leading global communities; the creative force shaping

global, regional and industry strategies; the catalyst of choice for its communities when undertaking global initiatives to improve the state of the world.

To carry out its mission, the World Economic Forum has developed an integrated value chain by involving world leaders in communities, inspiring them with strategic insights and enabling them through initiatives.

The highpoint of the World Economic Forum's calendar is its Annual Meeting held in the Swiss ski resort Davos, in the last week of every January. The Annual Meeting brings together leaders from business, government, international institutions, non-governmental organisations, universities and other significant communities. The theme of the next Annual Meeting, which will be held between 25-29 January 2006, is Mastering our Future. During the forthcoming Annual Meeting of the World Economic



Forum 2006, a series of live interactive events on interwoven themes will be held to create a lasting flavour of India at Davos.

Professor Klaus Schwab, founder and executive chairman of the World Economic Forum, has been the professor of Business Policy at the University of Geneva from 1972-2002. He founded the Forum in 1971 and has been conferred numerous academic, international and national honours for initiatives undertaken in the spirit of entrepreneurship in the global public interest and for peace and reconciliation efforts in several regions.

How did the World Economic Forum begin?

At the beginning, the activities of the Forum were concentrated on Europe. It was an idea to develop a platform for European business leaders to come together and to meet European politicians. I had approached the European Union Commission with this idea. There was need for such a forum and so we began our activities in 1973. Originally it was the European Management Forum; later it became the World Economic Forum.

When you speak of 'we', who is we?

Today it means 200 plus collaborators, it means the board of our foundation and our 1000 members. Fifty of them are Indians, who are very much active in our Forum. There are also several mechanisms to feed into our Forum the inputs of our



members. There is myself, as founder-chairman of the Forum. Then in addition to our members, we have established very close relationships with several governments and organisations. The Forum today has become the foremost network of global leaders; but it is not a loose network. It is a very closely-knit network. I may be at the centre of the network, but it is still a network...

Is the Forum entirely a private initiative?

It is an initiative which, in the first years, had the support of the European Union. It is a non-profit foundation and it has the same legal status as the International Red Cross; which means that it is under the supervision of the Swiss government. It is, in my opinion, the best example of private-public partnership.

When you gradually went global, did America too enter the partnership? And when did Asia enter the picture?

Since the seventies we had the philosophy that we should be represented by the world of the future. Europe and the US naturally were the biggest economies, along with Japan, so they were represented. But the focus, right from the beginning, has been on emerging countries. So in the seventies, we began our activities in south east Asia and in the eighties in China. And soon afterwards, in India. So I would say that the Forum has been a pioneer in integrating the South into the global system.

How important, or relevant, is India to the Forum?

Twenty years ago, about five per cent of our membership was Indian. The largest companies were not only integrated, but they were very active in our system. The Indian government has been represented at Davos for the past 15 years at high government levels. I felt I was a friend of India the moment I first came to this country, decades ago. And there was the time when Rajiv Gandhi came to our headquarters in Geneva in the late eighties, it was a very important catalyst, as it were, in his own perception of the need to unleash the entrepreneurial spirit and bring in reform. Even if I am a very global person, this Indian Summit in Delhi is the only one I go to every year. So it shows; my personal and the Forum's affiliation to this country.

Though you have had a close affiliation with India, and so has the Forum, why is it that European industry has lagged behind, say, American companies, in joining

hands with India Inc to leverage its advantages?

You must make a distinction here between the European multinationals and the others. European MNCs such as Nestle, have been very active in India even before the American companies launched out. The other non-MNCs, the medium-sized companies, have been busy focussing during the last decade on the business opportunities thrown up by the collapse of the Eastern Bloc and the opening up of the East European economies. They have been looking particularly at Hungary and the Czech Republic as production centres. They are also more interested in China and the US. So I wouldn't term it as a lack of interest in India as much as a lack of priority. I am sure that their priorities will change over the next few years. I am working as an ambassador with the European companies.....

What is the advantage that accrues to Indian companies that take part in the Davos meet? Does it help them in brand building, attaining global visibility...

I think it helps them in multiple ways. The first is at the national level; it helps put India, the country, on the global map. Many people look at Davos as a kind of powermeter, about who is important in the world. If you look back, you will see how certain countries appear and suddenly disappear. It signals their economic importance. So putting India on the global map is very important. Branding is also very important. On the individual level, I feel the next priority of Indian companies will be to globalise their activities. To be competitive even at the national level, you have to be acting at the global level. And I can already see many Indian companies doing so. I think we can provide a wonderful opportunity to those companies to learn what it means to be a global actor. And to access the necessary networks. Because today, if you look at corporate success, it is not only capital and human resources that are important, access too that is an important ingredient.

Why are we having the India Everywhere campaign in Davos in January 2006?

Davos is a very competitive environment. There are many countries which would like to have a special presence. A very important and influential politician once said that Davos is the pinnacle of exercising 'soft power'. And as you are aware, today brand power is more important than hard power. If you want to have an optimal approach to branding and show the Indian presence, you need a well-integrated approach which has all the key brand elements; like a denominator of several initiatives.

As a close-up spectator watching the participation of India since three decades, how has the Indian involvement with Davos changed over the years?

The participation has certainly become more sophisticated. In the early years, the participation was based on the concept of delegations. It was the Indian delegation in Davos. Today, with both politicians and CEOs, it has become very self-empowered. The participant sees himself in two capacities. Naturally, he is part of a country. But he is also a very self-empowered individual. He sees himself as a global participator in Davos, and not just as an Indian delegate. 🇮🇳