



FROM THE RINGSIDE

Get fleetfooted at Davos

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Davos 2007 is behind us. Over the years this annual meeting of the World Economic Forum has continued to generate debates on contemporary issues ranging from global growth, poverty, development in Africa, terrorism, Iraq, and now, climate change.

Heads of state and government, policy makers, academics and, of course, the corporate world have been more than generous in successively participating in these events. The Indian contingent to Davos can claim many faithfuls — veterans like Rahul Bajaj, Dhruv Sahini and Tarun Das have been going there for 25 years. I began going to Davos only in late nineties and even during this period the forum has changed significantly.

One, responding to persistent criticism that it was being increasingly perceived as an elitist club, it broadened participation by including civil society, art and culture, physical and spiritual well-being. This has both enlarged and altered the profile of the participants.

One unhappy outcome is that it has lost its earlier character and become too big for intimate networking. On the other hand, one has more to choose.

Two, it realised that economic pursuit is not interesting without political engagement. Issues of security are part of societal well-being. The enhanced presence of important political leaders across continents and ideologies have now made the interactions between politics and economics more meaningful.

Three, it has strengthened its regional footprints. The Annual Asia Summit (the next one is in Singapore), the China Meet and the India Summit along with a robust programme for Young Global Leaders have closely focused on country-specific questions and lent synergy to the annual Davos meet.

So, to the somewhat rhetorical question of whether Davos has lost its relevance in a more integrated world, one can respond that Davos has instead readapted and constantly seeks to rediscover its relevance both by changing issues, the format and the profile of its participants.

From India's point of view, is Davos still meaningful? I remember that in the mid-nineties, when our reforms were still tentative passionate pleas, the irreversibility of the changes needed constant reiteration. While it made some dent on investors, there were nagging doubts on the sustainability of our initiatives.

All this has changed dramatically. Our recent economic performance has silenced many critics. India is not an unknown story anymore. Investors we meet in Davos are more frequently to be found in India. Apart from complimenting us on our progress they actively seek new opportunities, broadening their earlier engagement, and are more concerned about sequencing and pace our changes.

Doubts do persist on whether coalition politics would permit many reforms waiting to happen, but given the track record of successive governments no one fears any reversal or serious setbacks.

The tardy liberalisation of our financial and banking sector continues to draw concern. While everyone recognises that infrastructure is improving and in civil aviation as well as telecom the progress is visible, the same cannot be said about the power sector.

The multiplicity of clearances required for setting up new businesses and the time it took to get approval at each step was still an irritant. The concept of single-window clearance continues to be elusive. Also bothersome to many are tardy changes in many state governments, as well as issues of Centre-State relations.

On the whole, while the marketing of India may be substantially over, the challenge of enticing investments is still a long haul.

From India's point of view Davos may have changed from a marketing venue to an investment venue. Globally speaking, there is still no other meet that attracts so many investors, and therefore sector-specific investment proposals and fixing meetings well in advance will give us multiple benefits. We need to leverage Davos more strategically in seeking such investments and bring in state governments in a bigger way.

At the recent Davos meeting, the panels and workshops, numbering over 200, covered many facets of our society. Of course, the focus was on bridging the divides, with considerable attention on climate change.

Let me comment on the special session, "Asian Brainstorming", to consider issues of relevance to this rapidly growing part of the world. Interestingly, based on surveys and discussions, the priority concerns centered on the absence of regional institutions to discuss energy, security and environmental.

There were worries on the impact of Indian and Chinese growth on the future competitiveness of some countries in the region. Among the risk management factors the big worry, even more than oil price shock and avian flu fears, was of corruption at local levels.

Many of these themes also mirror India's concern. The prime minister has repeatedly commented on the need to strengthen the Asian Economic Community and seek a cooperative framework beyond preferential trade agreements. The development of an Asian Currency Unit may be a far cry, but managing the economic consequences of an ageing population in Japan, Korea and China is something that needs attending to at once.

The Asia focus is now a common global theme. Davos continues to invent its agenda to reflect contemporary challenges.

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