

Davos 2011: A reality check

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THE World Economic Forum (WEF) Annual Meeting of 2011 recently ended at Davos in Switzerland.

While WEF is best known for this annual grand meet at Davos, it is much more than that. WEF (hereafter the Forum) is the only "independent" (read private or non-government) international organisation whose clout is comparable with its intergovernmental counterparts like World Bank (WB) and WTO. While members of WB and WTO are states, the Forum consists of non-state entities.

The Forum's self-described mission is "to encourage businesses, governments and civil society to commit together to improving the state of the world." It focuses mainly on economic growth, environmental sustainability, financial systems, access to health and social development.

The Global Competitiveness Report, the Global Risks Report and the Global Gender Gap Report are among the Forum's flagship publications. Besides, before and after each annual meeting, it organises many events around the world -- for example, Young Global Leaders Meeting, CEO Summit, Global Agenda Summit etc.

The annual meeting of Davos is however the flagship activity of the Forum. It's a networking event for the world's elite from business, politics, diplomacy, academia and to lesser extent, activism. It facilitates sharing and generation of ideas on a global scale. Some commitments for action on pressing issues also come from political and business leaders. Because it is a private event the Davos meeting cannot give official solutions, but political and business leaders make pledges that usher in break-

throughs in pressing global issues.

Davos 2011 began with a fresh initiative, Risk Response Network (RRN). It presented an overview of 37 selected global risks (for the ensuing decade) along with mapping of their interconnection, and charted coordinated response strategies for them. It emphasised 3 scenarios of risk -- macroeconomic imbalances, illegal economy and water-food-energy scarcities.

The focus of Davos was on the "new reality" of global order, where economic and political powers are shifting from West to East and from North to South. A new "dual-speed economy" has ensued with high growth in emerging markets and low growth in developed economies. According to Klaus Schwab, founder and executive chairman of the Forum, "global systems and decision models can no longer cope with the speed and complexity of all these changes."

Day 2 started with concerns for the world health situation. UN Secretary-General Ban Ki-moon said that "chronic diseases cause 6 out of every 10 deaths worldwide." In response, some leaders of food and pharmaceutical industries committed closer collaboration of private sector with governments and NGOs in fighting chronic disease. Telehealth and mobile medicine were identified as latest technological trends that could advance disease prevention and health promotion in developing countries.

They also focused on recovery from economic recession and preparations for averting such shocks in future. There was dissatisfaction with slow recovery of the Euro zone from the recession, and structural reforms in Euro countries were stressed as the way out. French President Nicolas Sarkozy declared



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that future priorities of G20 should be three major risks in world economy -- sovereign debt, monetary and financial imbalance, and impact of inflation on growth and commodity prices. A message on social business from Dr. Yunus of Grameen Bank asked for norms for entrepreneurship other than profit-seeking.

A message from Myanmar's Aung Sun Suu Kyi emphasised simultaneous progress in democratisation and development. German

Chancellor Angela Merkel warned against complacency about the risks of a further financial crisis. Indra Nooyi of Pepsico also stressed normative shift in conducting business, arguing that "short-term profits and long-term sustainability are not mutually exclusive."

There was a call for "new social contract" from Thai Prime Minister Abhisit Vejjajiva. There was progress in the fight against polio. Bill Gates and Melinda Gates, together

with UK Prime Minister David Cameron, made \$160 million worth of funds available for vaccinating an extra 45 million children against the disease.

Forging new norms of development or revising the existing ones were the topics Day 4. The spotlight was on India, where annual growth of about 9% co-existed with democratic polity, unlike China where high growth is apparently achieved at the cost of democracy. The biggest challenge identified for India was ensuring that its growth would be inclusive. Japanese PM Naoto Kan struck a similar chord with his focus on social inclusion and human security.

Davos 2011 ended with calls for urgency of action in some global policy priorities -- unemployment (particularly, youth and long-term), population explosion, inclusive growth, disruptions from technology and performance of G20. These will be harbingers of instability if any breakthrough cannot be attained in addressing them.

Davos 2011 followed the unexpected collapse of Tunisia's authoritarian regime and witnessed a bigger one brewing in Egypt. Confluence of bad governance, economic stagnation, high unemployment, inequality, population pressure and technological changes set the stage for these surprise developments. There is also popular outburst in Yemen and Jordan. The chain of events is reinforcing the need for urgency of action in the aforementioned policy priorities.

However, debates and discussions in Davos 2011 reflected more rhetoric than substance. Despite the talk about changing norms, interest was evident in continuation of same norms under different labels. There was same insistence on market-based solutions for all

of the world's problems. This is manifested in the ideas generated for rebuilding Haiti. Support to small and medium enterprises, micro-insurance for the poor, mobile banking for financial inclusion and social business were high on the agenda. There was no indication about the role of governments, civil societies and the international community.

There was concern about unemployment and repeated calls for inclusive growth. But, whether for Haitian reconstruction or for European recovery, steep unemployment and economic contraction were chosen as trade-offs for macro-economic stability and restored growth. High-risk financial maneuvering aimed at enormous profit in shortest possible time led to the financial crisis. But UK Premier David Cameron stressed on risk-taking investment culture and higher deregulation in his formula for European recovery.

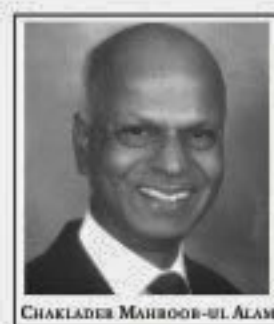
More interestingly, in an investment decision simulation in Davos 2011, most of the participating investment professionals opted for investment options that were high-risk, high-return and short-term. It appears that Indra Nooyi's words of wisdom fell on deaf ears.

Despite the moral high ground of changed norms for "shared dreams" projected at the Davos 2011 panels, the reality underneath was quite the opposite. Leaders, both business and political, have been too caught up in short-term solutions to domestic politics and conditions, and have been too fearful of public opinion, upsetting the markets and regulations, and of investing in jobs and social protection.

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LETTER FROM EUROPE

From slavery to fame and fortune



THIS is a story about slaves, slave-kings, generals and poets, and it straddles several continents and cultures. It also shows how luck can play an extraordinary role in shaping the lives of talented people.

A few years ago, when I went to Delhi, I visited the Qutb Minar. I was much impressed by the intricate inscriptions, which, I confess, I did not understand. Even then, I was happy because as a child I had read so much about the Slave Dynasty and the Qutb Minar at school.

Qutb Minar commemorates the military victories of an extraordinary man, Sultan Qutb-ud-Din Aybak. We do not know when he was born but historical records show that he died in 1210 because of injuries suffered in a polo match. No one knows exactly who his biological parents were because as a little boy he was sold as a slave to a Muslim general and later came into the possession of Sultan Muhammad of Ghur. But what most people know is that he was of Turkish origin, that he consolidated the conquests of his master in India, formally established Muslim rule there and was the founder of the Slave Dynasty in Delhi.

In 1193, after conquering Delhi and establishing military outposts in different parts of Northern India, Sultan Muhammad of Ghur left Delhi for Ghazna (modern Ghazni in Afghanistan), leaving his slave and trusted lieutenant Qutb-ud-Din Aybak to consolidate his conquests and expand.

Qutb was no ordinary slave. From the start of his slavery, he had been trained in the art of

warfare and government. Quality of horses, centralised organisation and planning were very important for large-scale military campaigns over a long period. In fact, one of the first positions of trust and importance he held was that of the "Officer in charge of royal sta-

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bles." He was also trained in the arts and the importance of detailed pre-planning "for the effective organisation of post-campaign occupation forces" with the objective of pacifying the conquered territories.

During the period 1195-1203, the Ghurid forces conquered most of North India, Bihar and Bengal. One of the Ghurid generals, Muhammad Bakhtiyar Khalji even invaded Tibet to plunder its Buddhist monasteries. After the assassination of Sultan Muhammad in 1206 in Lahore, when Qutb-ud Din Aybak became the Sultan of India with Delhi as his capital -- nominally owing allegiance to Ghazna -- he was still technically a slave.

Sultan Qutb-ud-Din Aybak was succeeded by Sultan Shams-ud-Din Iltutmish, who reigned during the period 1211 to 1236 and was also a slave. Even after the death of Sultan Iltutmish, for many years, the real power in the Sultanate was exercised by Iltutmish's former slaves who remained fiercely loyal to his family.

Now fast forward to early eight-

teenth century for the second part of this extraordinary story when the slave trade was still ravaging Western Africa. The thriving trade among Europe, Africa and the Americas consisted of chained and shackled African slaves squashed tightly in the holds.

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It is difficult to estimate the total number of Africans killed, injured, dumped into the sea and forcibly transported to the Americas by the slave traders. According to Professor Mary France Berry of Howard University and Prof. John Blassingame of Yale University, "by the time the slave trade ended in the 1860s, more than 100 million blacks had either been killed or transported from their homeland."

It was under these terrible circumstances that, in 1703, a handsome little African boy -- probably the son of a local chief -- was kidnapped and enslaved in Logone, the capital of the ancient kingdom of Logone-Brini (now northern Cameroon) located near Lake Chad.

Unlike millions of other African slaves of that time, a completely different fate awaited this little boy. His master, the local African ruler, sent him to the Turkish Sultan in Constantinople as tribute. The boy was converted to Islam and named Ibrahim by the Sultan. Ibrahim was not allowed to live

long in Constantinople.

Soon he was acquired by the then Russian ambassador in Constantinople who sent him to Czar Peter the Great as a gift. In Russia, Ibrahim was converted to Russian Orthodox faith and renamed Abram Petrovich (derived from Peter, the Czar). Proud of his African heritage, Abram Petrovich later added the name of the famous African general, Gannibal of Carthage, who invaded Rome in 218 B.C. with a huge army and 38 elephants, as part of his surname. Thus, he ultimately came to be known as Abram Petrovich Gannibal.

Czar Peter was so impressed by Abram's intelligence and demeanour that in 1716 he sent him to Paris for higher education in the art of warfare. In 1720, Abram entered the best French artillery academy of that time to specialise in fortifications.

Upon his return to Russia, he joined the Imperial Russian Army and eventually became its chief military engineer and a top general. He survived the purge after the death of his mentor, Czar Peter the Great and died in 1781 surrounded by his 11 children.

In itself, it is a fascinating story. But most probably, the name of Abram Petrovich Gannibal would never have appeared in the Russian history books in such bold letters, had it not been for the fact that the maternal grandfather of Russia's greatest poet and the creator of the Russian literary language, Alexander Sergeyevich Pushkin, was one of those 11 children Abram Petrovich Gannibal had fathered.

The writer is a columnist for The Daily Star.

READERS' REACTIONS

Hartal should have been withdrawn

I agree with you that the *hartal* should have been withdrawn. But the political culture in Bangladesh has nurtured the *hartal* for so long that it is hard to get rid of it. In Bangladesh, *hartals* and politics go together.

Anonymous

The call for *hartal* is justified. Hasina's \$7 Billion airport project has no national consensus. She changes plans on her own whim. It is a total abuse of power.

K. Gazi

An uncompromising leadership is on the march. Your and my concerns have no value to stop them from withdrawing the *hartal*; the fate is inevitable. Kindly write a detailed commentary on the DS on the morning of February 8.

Anonymous, from US

Shame on the leaders who cannot lead by example but resort to the lowest of the low antics to draw attention. This is applicable for most of our leaders. Picketing is OK but *Hartal* is an absolute disaster for our economy. Wake up, the silent majority and show your dissent to this decently!

GR

Physicians' aversion to remote areas

It verges on the scandalous that doctors who are bound by the Hippocratic oath to serve ailing humanity shirk their duty. It is really beyond comprehension how a doctor can leave behind hundreds of patients, who have no other place to go for treatment than public hospitals and clinics. The defaulting doctors committed two grave offences - first as public health-service providers, they evaded their duties and second, as doctors they were irresponsible toward their patients.

Gopal Sengupta

First, I would like to appreciate PM for ventilating her concern and anguish about a long-running malaise plaguing our brilliant sons who are utterly remiss of attending to their duties. It is very disconcerting to note that our physicians posted outside Dhaka or at remote stations keep skiving off but don't feel shame to draw salary. Second, I commend editor for highlighting the malady. The cynic and aggrieved people comment that our doctors take the Hippocratic Oath but actually exercise hypocritical activities. Last but not least, it is possible to reverse the truant culture if PM/govt. takes decisive, demonstrative and sterner action against doctors who are found guilty of bunking off duties.

Abu Noman Sohally