

# Radical new thinking was missing from Davos

31 January, 2012

Discussions at the World Economic Forum meeting focused largely on growth and left sustainable transformation at the periphery, says Chandran Nair



Discussions at the World Economic Forum in Davos have increasingly focused growth rather than addressing the social impact of business. Photograph: Arnd Wiegmann/REUTERS

The World Economic Forum (WEF) meeting in Davos missed a great opportunity by failing to live up to its commitment to focus on the Great Transformation.

WEF chairman Professor Claus Schwab called for new thinking and for business to become more socially responsible, therefore opening the door for more honest and bold conversations, including with policy makers.

But despite one of the sub themes focusing on sustainability and resource models, radical new thinking was largely off the menu.

The Eurozone debt crisis was a focus of much of the discussion, but debates involving leading politicians and economists seemed tailored to avoid opening up conversation around fundamental issues that lie at the heart of the crisis, such as the unsustainable nature of lifestyles in the Western world.

There was a distinct lack of leading scientists and sociologists on the panels, who could have contributed their views on how the crisis of capitalism in the West may be directly linked to pushing against resource limitations.

At a time when two to three billion Asians and Africans look set to expand the global middle class, the question of whether those in the developing should, or indeed can, aspire to the same lifestyles as those in the developed world was not addressed.

Sir David King's recent paper on peak oil, which said that oil's tipping point has passed, was not even discussed. This is in spite of the fact that its conclusions could have provided some serious food for thought and shaped a discussion around the real need for a great transformation, rather than even greater denial.

Although there were interesting sessions on Asia, rarely did they focus upon the need for the region to reject the current consumption-led growth model, which thrives on under-pricing resources and fails to acknowledge limits, and instead adopt an alternative developmental trajectory. Much of the discussion was based on a Western narrative, and therefore focussed on the political imperative of how to maintain lifestyles, whilst only addressing sustainability issues at the periphery.

This perspective seems to ignore the realities in Asia, where the challenges are very different. There, the priority is not to about how to maintain lifestyles but how, in 2050, five to six billion Asians will be able to live in the most crowded and resource constrained part of the world. Central to this is the need to alleviate poverty through fair and equitable access to vital resources.

At an excellent workshop on resource scarcity, many participants supported a scenario where technology alone would come to the rescue. This tendency to see technology as a panacea is both prevalent, and dangerous. It seems to allow policy makers to avoid talking about constraints and the need for strong government interventions.

At corporate sessions on sustainability, it was striking that the conversation was mainly about growth. Mentions of the importance of innovation seemed to lack substance and be designed to provide comfort to those lacking real answers. This narrative fails to understand the global and interconnected nature of the sustainability challenge. In addition, by seeing sustainability solely through a growth lens, it is at odds with the need to use less.

As companies grow, they also depend on using more resources which, in the current economic model, tend to be under-priced. Therefore, companies seek to fight regulations that aim to price externalities in fairer ways. By fighting such regulations, the role of governments in protecting the interests of the majority is undermined. In areas of the world such as Asia, these interests will be very much about protecting resources in the coming years.

Having said that, many business leaders do have an interest in taking the sustainability discussion forward, as they are increasingly grappling with the intellectual dilemma inherent in the contradiction between less and more. They are also aware that strap-lines such as "more from less" do not quite cut it with a more informed global audience.

The barrier to transformation in corporations seems to be at the level of sustainability and CSR managers who tend to attempt to second guess what top management wants to hear. This can lead to elaborate discussion which misses the basic points and lends weight to the case for companies to drop the term sustainability and instead talk plainly about how they will grow, manage externalities and increase efficiency. This may prove more liberating than the current shadow boxing around sustainability concepts which are difficult for them to embrace given the imperative to expand.

The organisers of the WEF should be congratulated for making sustainability and resource issues a part of the debate at this premium global platform. Next year, however, let us hope that the participants will take full advantage of it, rather than shying away from discussing the harsh realities.

*Chandran Nair is founder and CEO of the [Global Institute For Tomorrow \(GIFT\)](#)*

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Posted by  
Chandran Nair for the [Guardian Professional Network](#)  
Tuesday 31 January 2012 16.07 GMT [guardian.co.uk](#)