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Davos discussions

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Uncommon Ground | Rohini Nilekani

On my way up from Zurich to Davos to attend the World Economic Forum (WEF), I marvelled again at how clear the road remains in spite of unusual amounts of snow piled up on rooftops and mountain slopes. I also wondered whether the going would be quite as smooth inside, at the 200-odd sessions scheduled across many hotels dotting this picturesque little town of Davos.

Much of the focus has returned to the basics. There is less time for expansive conversations on social questions

The ambitious and perhaps premature theme of the conference is "Shaping the Post-Crisis World". In order to respond, the power elite at Davos, which is still predominantly composed of white men in dark suits, will have to quickly change gear. Up until last year, when the promise of continued and expanding growth and prosperity was taken for granted, the tone was breezy, full of hype and hope. It left plenty of room for expansive, amiable conversations on all manner of social questions, from hunger and poverty to emerging social sciences and universal access to education. In fact, at one point two years ago, listening to the dozens of civil society representatives milling about, I had to rub my eyes to ensure that I had not strayed into the World Social Forum instead.

Not any more. Within a few hours of arriving at the Congress Centre, the sanctum sanctorum of WEF, I sensed just how much the focus has returned to the basics. As I write this on Thursday morning, the weather is warmer than ever before in the five years I've been coming to this clubby gathering, but the mood is definitely cooler. In spite of the fact that there are more people than ever before jostling about in the limited space, there is much less noise and jocularity. And the constricted body language of both speakers and audience at the sessions I attended spoke louder than their words.

"It is hard to see the future with tears in your eyes," goes an old Mohawk proverb. Right now, delegates are not able to dwell on the post-crisis world. As many spot interviews confirmed, people are still in shock. At best, they are analysing what went wrong, and blame is being generously attributed to every agency from regulators and auditors, to company boards, and to broader issues of global imbalance. Since most financial whizz-kids are missing, there are few CEOs to say, "I was to blame", and certainly Davos is not about witch-hunts. But another idea came up that is worth pondering. Are shareholders also responsible? Is there too much distance between the shareholders of a widely held company and the management? Will it take more activism to make

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management accountable to all stakeholders? It is a bit like the democracy question, I guess. We get the government we vote for, and the price of democracy is good citizenship. Yet there will have to be fundamental change before we can get the company we want for the few shares we buy.

Looking back at my notes on earlier WEFs, I have to say there has always been healthy debate in the corners about structural fault lines in globalized capitalism. "Are we doing well only because nothing is being corrected?" "Will it take a vast recession to reduce import-export imbalances?" "Does business have a noble purpose?" "Why should CEOs take home so much?" "How can we make students understand that business does not own society and is merely a franchisee?"

Yet such questions went nowhere. The crisis to come simply had not reached home shores yet.

Now that it has, and how, the debates are louder. Panellists are reflecting on values and the failure of leadership, about hubris and greed. It is a bit like a collective confession. Oh yes, capitalism is definitely on the defensive here. Martin Wolf's statement— "The game is over"—might yet become the single most repeated quote for 2009. Yet everyone is quick to remind us that we have seen the heavy price paid by too much state power as well. Even Putin and Jiabao, heads of erstwhile communist states, alluded to this in their addresses. If there is any consensus, it is that the way forward will not come from looking back.

Meanwhile, the Indian contingent is as strong as ever and looks almost cheerful compared with other country delegations. One of our formidable business leaders explained it to me—"Well, it is our turn now. We have to focus on the domestic economy and ensure that the India story unfolds quickly."

Others may also be hoping that the India market remains viable. But right now, they are filled with doubt. It is remarkable how many are asking all of us about the Satyam scam, putting us on the defensive, "Er, yes, we are not quite sure how it happened", or making us rather offensive—"But what about all your scandals, huh?"

Certainly, B. Ramalinga Raju is as conspicuous by his absence as the heads of investment banks. He was scheduled to be here, for a session titled "Educating the next wave of entrepreneurs". A close shave, that.

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