

Davos, Klaus Schwab and the multi-stakeholder sustainable future

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COMMENT



I write this during the first week of Davos 2022, the annual meeting of World Economic Forum (WEF). My perception of the event in the past has been somewhat cynical, just another talk shop involving the powerful and rich striving to prove that they really, really are trying make the world a better place.

During this week, the Forum is again launching several initiatives: to accelerate the race to net-zero emissions; to ensure economic opportunity of nature-positive solutions; to create cyber resilience; to strengthen global value chains; to build economies in fragile markets through humanitarian investing; to bridge the vaccine manufacturing gap; and to use data solutions to prepare for the next pandemic.

All very noble and relevant, but can any of the 'initiatives', no matter how passionately argued, change the politically expedient way we are led or the entrenched financial systems that drain wealth from the poor and advantage the super-rich?

"Everyone hopes that, in 2022, the COVID-19 pandemic and the crises that accompanied it will finally begin to recede," writes Klaus Schwab, founder of the World Economic Forum in the introduction to Davos 2022. Yes, I guess we all do.

I wondered who Klaus Schwab really was, so I looked him up.

First off, I note he is a professor, a positive in my biased view of humanity. Then I read that he founded the WEF in the same year as he wrote a book called, in English, 'Modern Enterprise Management in Mechanical Engineering'. So he is also an engineer!

Written back in 1971, this book argued that, to achieve long-term growth and prosperity, the management of a modern enterprise must serve not only shareholders but all stakeholders. Schwab's 'championing' of the multi-stakeholder concept, I read, was at the heart of the WEF's inception, and the Forum is now the world's foremost platform for public-private cooperation.

Also under his leadership, the Forum has been a driver for political reconciliation in different parts of the world. One of these brought Nelson Mandela and FW de Klerk to the 1992 Davos meeting to jointly address assembled world leaders.

Klaus Schwab's role in promoting South Africa's peaceful transition had begun several years earlier, however, with planning and networking to identify and nurture future South African leaders. The 1990 announcement by FW de Klerk of the unbanning of the ANC, the Communist Party, the PAC and the release of many of South Africa's other leaders from Robben Island was first heard by more than 1000 of the world's top business and political leaders and thinkers in the

concourse of that year's Davos conference.

"But major global challenges await us, from climate change to rebuilding trust and social cohesion. To address them, leaders will need to adopt new models, look long term, renew cooperation and act systematically," Schwab continues in his introduction to Davos 2022.

And his intentions now start to strike me as credible.

One of the presentations on the Davos 2022 Agenda (January 20) is entitled 'ESG Metrics for a Sustainable Future'. "We are transitioning to a new type of capitalism, melding the creation of prosperity, serving society and caring for the planet," reads the blurb.

Environmental, social and governance (ESG) metrics have been unveiled by the WEF for use in business reporting to provide a common set of 'disclosures'. Developed in collaboration with the four major accounting firms, Deloitte, EY, KPMG, and PwC, as well as representatives from corporations, investors, standard-setters, non-governmental and international organisations such as the Climate Disclosure Standards Board, the metrics are centred on four pillars:

Principles of governance, which reflect a company's purpose, strategy and accountability, and include criteria that measure risk and ethical behaviour.

- Planet, to highlight a company's dependencies and impacts on the natural environment. It includes metrics such as greenhouse gas emissions, land protection and water use.
- People, which features the company's equity and its treatment of employees and includes information about diversity, wage gaps and health and safety.
- Prosperity, which details how a company affects the financial wellbeing of its community through measures such as employment and wealth generation, taxes paid and research and development expenses.

Our cover story for this issue from Veolia Services South Africa is about water reuse and resource recovery. While describing the technologies and successful projects involved, Miles Murray outlines Veolia's core purpose: delivering ecological transformation and the UN's Sustainable Development Goals (SDGs).

The global Veolia Group has recently released its multi-faceted performance 'compass wheel' to guide the course of the company in the long-term. It summarises a shared progress approach that involves all Veolia employees and benefits all stakeholders, with a view to making Veolia a model company for delivering ecological transformation.

It is heartening to see the work Klaus Schwab and the WEF has done over the years delivering some real impact.



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