

FORWARD OBSERVER



World Economic
Forum Panel Notes

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Good afternoon. Thank you for being a Forward Observer subscriber. Whether you've just joined or been with us since the beginning in 2016, we appreciate your support of the Forward Observer mission: providing insight into domestic disruption and geopolitical risk that will impact the lives of Americans.

What follows are the team's notes from the 2023 World Economic Forum panel discussions. These aren't comprehensive notes but are intended to hit the highlights concerning our mission and the WEF's global outlook. - Mike Shelby

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Special Addresses

South Korean President Yook Suk Yeol

- The world is under the pressure of economic uncertainty, the global supply chain has been fragmented, and public-private and corporate cooperation are needed.
 - Pandemic
 - Geopolitical conflict
 - Rivalry for technological hegemony
 - Weakening of multilateral trade
- Supply shocks in multiple sectors
 - Vaccines and Pharmaceutical
 - Semiconductors
 - Minerals
 - Food
 - Energy
- Bloc formation among countries has increased (East vs. West).
- Overcoming the climate crisis has become a common agenda for all nations on Earth.
- Energy transition and energy security are not mutually exclusive goals. Must turn attention to nuclear power and clean hydrogen.
- We must build a global digital order so that technology can help global citizens expand their freedom. The digital bill of rights in Korea serves as an example for the world.
- Schwab: Korea has embraced the Fourth Industrial Revolution

- Schwab: What practical steps will South Korea take to make sure the country plays a major role in the reshaping of global supply chains?
 - Yoon: Restore and recover supply chains within Korea and then expand them globally, e.g., semiconductors
- Schwab: What is the strategy Korea is using to reach net zero emissions?
 - Korea plans to reverse a drawdown of nuclear power and expand nuclear power generation.
 - Korea plans to export nuclear power technology globally
 - Korea plans to develop a new renewable energy sector, including wind and solar
- Schwab: How do you foresee Korea's relationship with key partners in the region? How will the strengthening of new alliances impact peace and stability on the Korean peninsula and the region?
 - There are countries that share universal values, and they will be key partners on economic and security issues.
 - Bloc formation will lead to increased cooperation among like-minded countries but does not require excluding others.

A Conversation with Ferdinand Marcos Jr.



Summary:

- Marcos spends the majority of the panel discussing how he balances the Philippines' relationship with the U.S. and China. Through several questions, he reveals that the Philippine-U.S. relationship is primarily militaristic, while its ASEAN relationships are economical.
- When asked about how he kept economic growth so high, Marcos said remittances were the primary factor, accounting for 9% of the government budget.
- The world was more simple in previous generations because you chose to side with the USSR or the USA. That kind of arrangement no longer applies; however, there are strong forces pushing us back into a bipolar world between China and the United States. Most leaders and strategists have a consensus that we should not fall back into a bipolar world.
- China is the Philippines' most important trading partner, followed by Singapore, the U.S., Japan, and South Korea. Southeast Asian countries are building nearby partnerships due to an uncertain world.
- The Philippines has had several sectors drive growth and jobs: mining, semiconductor production, and overseas workers sending remittance. Remittances comprise 9% of the government budget.

- The Philippines has had a security agreement with the U.S. for over a century. The only way for the P.I.-U.S. relationship to remain strong is for it to evolve. Marcos references China's presence in the South China Sea as a cause for evolution without expounding on how the evolution must go.
- Asked whether the South China Sea situation keeps him up at night, Marcos says it keeps him up at night and during the day. Says the Philippines are on the front line. If something goes wrong here, we are going to suffer. This is why our foreign policy is a commitment to peace guided by our national interest.
- His main concerns include small islands, fishing access and vessels, and maritime territory. China has laid claim to the Philippines' territory. He adds that if the Philippines did more, there would be war with China. No one wants war. Not China, not the U.S., not the Philippines. Increasing tensions already have an effect on the region.
- ASEAN heads believe in "Asian centrality." The future of the region must be decided by those in the region, not outside powers.
- Sees no point in building up the Filipino military, as Japan has chosen to do. Says the Philippines can't match China or the U.S. and adds the solution must not be a military one. Belives an Asian conflict would be worse for global food security than the Russia-Ukraine war.

Chinese Vice Premier Liu He



- China's Vice-Premier Liu He also addressed the WEF, telling the audience that economic development is the “primary and central task,” followed by reforms to China's socialist market economy. Liu said that China's focus for 2023 includes “expanding domestic demand, keeping supply chains stable, supporting the private sector, reforming the state-owned enterprises (SOEs), attracting foreign investment, and preventing economic and financial risks. Liu added that “a noticeable increase of imports, more investment by companies, and consumption returning back to normal” can be expected. (*Analyst Comment: Commodities prices are expected to boom once China ramps up their imports. - M.S.*)
- On the topic of financial risks, Liu said that his country is focused on resolving its real estate collapse and has “disposed of distressed assets [and] curbed shadow banking activities,” among other steps. “If not handled properly, risks in the housing sector are likely to trigger systemic risks,” he warned. Liu said that the real estate sector had undergone a “massive blood transfusion” in order to improve liquidity.
- China is focused on “domestic circulation,” or developing domestic demand to turn the Chinese economy into a consumption-based economy, according to Liu. (*AC: This is a major line of effort for the Made in China 2025 strategy, which seeks to reduce Chinese economic reliance on exports and shift to domestic demand. This also helps to insulate China during a period of western sanctions over military action against Taiwan. - M.S.*)

- Liu also shared some level of doubt about western countries pursuing a “hike-recession-recovery” model to combat inflation, as much of the inflation is driven by strained supply chains, not just monetary inflation. *(AC: This is part of the “structural” theory of inflation, as limited supply and aging populations are both pressures that aren’t relieved through quantitative tightening. Liu seems to imply that the hike-recession-recovery strategy won’t actually fix inflationary problems. - M.S.)*
- Liu also obliquely addressed the global financial risks of the Federal Reserve’s rate hiking path, warning that higher interest rates would pose threats to the sovereign debts of emerging economies. “We [China] stand ready to work with all parties to find solutions to the debt issues of some developing countries,” Liu added. *(AC: This could mean Fed-type bailouts or IMF-like loans to countries that China deems of strategic importance. This sounds similar to China’s BRICS+ strategy to undermine U.S. economic and financial influence. - M.S.)*
- Lastly, Liu addressed climate change. *(AC: As previously mentioned, China is the world’s top polluter, releasing nearly twice the amount of carbon dioxide as the United States, and has been resistant to curbing emissions due to the country’s need to increase economic growth. - M.S.)*

Former U.S. Secretary of State Henry Kissinger



- Ukraine war shows that Russia cannot overcome united resistance in a conventional conflict.
- NATO has been expanded; strategic objective has been achieved.
- Ceasefire is a reasonable outcome of military actions. Remains against a ceasefire that leads to later peace negotiations.
- The U.S. should continue and even intensify support for Ukraine until a ceasefire line is reached/accepted.
- The purpose of support for Ukraine is to prevent the war from becoming a war against Russia itself. Wants to give Russia the opportunity to rejoin the international system.
- Destruction of the Russian state will create conditions for internal conflict and outside intervention at a time when there are 15,000 or more nuclear weapons on its territory.
- Before the war, Kissinger opposed Ukrainian membership in NATO because it would cause the process we are seeing now. Now the idea of a neutral Ukraine under these conditions is no longer meaningful.
- China and Taiwan: China and the U.S. should avoid escalation. The U.S. should avoid appearing to use “One China” to camouflage a move towards “Two Chinas.”

National Security

PANEL: Revolutionizing Food Security



The panel focuses on improving food security worldwide. Panelists discuss issues affecting food security and how to overcome them in the short term and long term.

- Manmade conflict and climate change contribute to food insecurity.
- War in Ukraine, a breadbasket, combined with droughts worldwide, is creating a global food crisis.
- Governments need to solve short-term food insecurity, but the private sector will need to solve long-term food insecurity.
- David Beasley, UN World Food Program Executive Director, states that he believes it is very possible to have a global food collapse within the next 18 months.
- Food waste is a terrible issue. Eliminating food waste could feed an additional billion people.
- “Food security is energy security, and energy security is food security.” - Sara Menker.
- Hanneke Faber of Unilever encourages eating less meat. Cheers going vegan. Claims less meat consumption will be beneficial for the world. Encourages fortifying food with micronutrients. Resilience can be driven by regenerative agriculture.
- Fertilizer accounts for 2% of world energy use. Fertilizer is a serious issue.
- More emphasis on decarbonization.

- Bayer is looking at technology (drones, satellites, GPS, etc.) to make fertilizer and pesticide application more efficient. CRISPR gene editing technology could increase yields as well.
- Farming representative states that food prices need to rise to give farmers incentive to grow more. Fertilizer is the highest input cost for most farmers.
- What is one thing we can do to increase food security?
 - End wars.
 - Scale regenerative agriculture.
 - Fix global shipping problems.

PANEL: 100 Days to Outpace the Next Pandemic



This panel praises the response to the Covid pandemic. Panelists demonize those who expressed skepticism about covid, masks, and vaccines. They praise previous WEF conferences that led to the creation of organizations used in the 2020 pandemic.

- Pfizer is eager to help developing regions increase their vaccine production capacity.
- Pfizer CEO Albert Bourla complains about people resisting vaccines.
- Need \$10-15 Billion for pandemic preparedness to be given to developing countries.
- “From each according to their ability. To each according to their needs.” - Helen Clark
- Tony Blair complained about the politicization of masks.

PANEL: Crisis of Democratic Capitalism



CNN's Fareed Zakaria interviewed Martin Wolf of the Financial Times about Democratic Capitalism, how it came about, its inherent conflicts, and how the system can be sustained. The Crisis of Democratic Capitalism is the title of Wolf's latest book, to be published on 07 February 2023. Wolf claims that modern democracies are derived from capitalistic systems that decentralized economic power, which demanded a democratized system so the new powers would not overthrow the old. The central crisis of the system is that it inherently pits capitalism's tendency toward oligarchy against democracy's tendency toward demagoguery, a council versus a leader. Wolf stresses the point that for any democracy to work, it must have a profound concept of citizenship where the people believe the elites have their interests at heart and that these are waning in the world.

Additionally, this blended system carries threats to itself within each part. Wolf describes the concept of universal suffrage within any democratic system as an inevitability due specifically to it promoting universal equality. Wolf's vision for the mission of Democratic Capitalism is one where wealth does not dominate power.

PANEL: Disrupting Distrust



Speakers

- Kathleen Kingsbury, opinion editor NYT
- Angela Williams, CEO of United Way Worldwide
- Richard W. Edelman, CEO of Daniel J. Edelman Inc.
- Salah Goss, Senior VP, Social Impact North America, Center for Inclusive Growth, Mastercard
- Helena Leurent, Director-General, Consumers International
- In “The Battle for Truth,” people feel they don’t have enough information to make a decision. Trusted information went from vertical to horizontal to local
- Richard Edelman emphasized that businesses are now more trusted than Non-Governmental Organizations (NGOs), which are seen as ethical but incompetent.
- He said that “Right Wing” groups have been successful at disenfranchising NGOs by attacking their funding sources, “smearing” them as globalists, and associating NGOs with controversial public figures like Bill Gates and George Soros.
- He advocated “Pre-bunking” as a response to disinformation and said corporations should respond to misinformation about subjects like Environmental, Social, and Governance (ESG) investment strategies on social media by pulling money from platforms that spread disinformation. He said that trust is higher in

autocracies than democracies and higher in developing countries than developed countries.

- Edelman Inc. is the largest PR firm by revenue (as of 2018) and does “reputation management,” a regular at Davos in the 2012 WEF meeting said stats showed decreasing trust in governments and businesses.
- Angela Williams responded to a question about young adult trust in political institutions by saying that some systems need to be completely disrupted. Systems that are currently in place were built by people who have different values who wanted to keep power and exclude other sets of individuals. She went on to say that she was done with “knocking on the door and asking permission,” that she has “nothing to lose,” and “don’t invite me to your table, I want a new table.”
- Williams got her Juris Doctoral degree from the University of Texas and has connections to the Democratic party as Senate Judiciary Staff (Special Counsel on Criminal Law) under Ted Kennedy, previously U.S. Attorney in Orlando.
- All panelists agreed that a loss of trust in authority is tied to a loss of economic optimism.

PANEL: Crises to Watch



Speakers

- Anne-Sylvaine Chassany - World News Editor, Financial Times
- Chrystel Monthéan - Executive Vice-President, Americas, Yara International ASA
- David Miliband - President, International Rescue Committee
- Ukraine
 - Ukraine war represents a new “age of impunity” over checks and balances on the abuse of power.
 - Not just provincial conflict, global consequences, 20 countries represent 90% of people in humanitarian need, food and energy prices, and living standards.
 - Fear of Ukraine taking attention from other crises, 7 x more funded than others
- Food Security Crisis
 - Ukraine and Russia are large producers of fertilizer and grains
 - 60-70% of fertilizer price is linked to nitrogen gas input
 - “Dormant Crisis,” dependency on too few countries for raw materials
 - Shift to “green” fertilizers
 - The grain deal is still working, but nutrient input on the back end is still an issue.
 - East Africa is the center of a global famine crisis. Somalia, Ethiopia, Kenya, also Northeast Nigeria, Afghanistan, and Yemen

- Globalization of Risk, Localization of Resilience, and expecting localities to build resilience don't consider their capacity.
- How to make sure other crises aren't left behind
 - Appeal to self-interest and moral interest, crises do not stay local
 - Show that something can be done
 - Three interventions
 - Break the cycle of crisis
 - Protect civilians in conflict
 - Manage global public goods in a more effective way
- What is the most vulnerable country in the Americas?
 - Political- Venezuela
 - All linked to food production, people forget where the food is coming from, "mother nature."
 - We have gone too far from "mother nature."
 - Coffee production, weather change means a big part of land suitable for coffee production will not be suitable by 2050
- Migration risk linked to climate change?
 - People are primarily internally displaced due to climate change
 - Cross-border migration is primarily driven by conflict
 - Ukraine is an unusual refugee population, with no military-age males, regular movement back and forth over the border
- How to get support for crises?
 - Appeal to self-interest and be solution-oriented
- How do we stop the "age of impunity"?
 - The western world has to get its own house in order
 - Can't tackle impunity without transparency
 - Bellingcat and NYT have done more effective work to expose war crimes than any UN tribunal.

- A credible threat to those who commit war crimes/impunity needed
 - German prosecution of Syrian generals under universal jurisdiction statute using evidence gathered by NGOs
- Framing of accountability vs. impunity This is a powerful tool for understanding political, economic, and ecological relationships (to nature).
- The open fact that China and Russia have paid more attention to Africa than the West
- The new global era of high-interest rates put enormous pressure on countries with high debt

PANEL: Insuring Uncertainty



The main idea of this panel is to use insurance and banking to nudge people around the world into behaving in ways the global elites want them to behave. There is a lot of talk about the risks of climate change.

- Insurance companies should try to prevent pandemics from happening. Also need to help prevent an individual's health problems.
- People who do the “right thing” should get cheaper and easier access to capital.
- Perhaps we need international health insurance?
- Climate change will soon make Florida real estate uninsurable.
- There is a role for compulsory insurance.

PANEL: Keeping the Lights On Amid Geopolitical Fracture



Speakers

- Børge Brende, President, World Economic Forum Geneva
- H.H. Prince Faisal bin Farhan Al Saud, Minister of Foreign Affairs, Ministry of Foreign Affairs of Saudi Arabia
- Christopher A. Coons, Senator from Delaware (D), United States Senate
- Pekka Haavisto, Minister for Foreign Affairs, Ministry of Foreign Affairs of Finland
- Mohammed bin Abdulrahman bin Al Thani, Deputy Prime Minister and Minister of Foreign Affairs, Ministry of Foreign Affairs of Qatar
- Kristalina Georgieva, Managing Director, International Monetary Fund
- Kristalina - Growth is expected to slow in 2023. Claims Covid resurgence and the Russian invasion of Ukraine ruined the global economy for 2022. Inflation is dramatically hitting poor households. Interest rates are too high. Wants the world to keep on globalizing.
- Christopher - Was asked about the potential for the US to move away from globalization and towards protectionism? Stated danger of populism in the United States must be countered by

addressing some of the lower class' concerns. Said that friendshoring some manufacturing to Mexico would be good to help reduce illegal immigration by providing more jobs in Mexico. But also said that the WEF shouldn't worry because the US will not abandon the globalist project.

- Faisal - Emphasizes the need for Saudi oil to keep traditional energy supplies stable while new green energy sources are built out. Claims Saudi Arabia has diversified its economy and improved life for all, especially women. We might not all agree, but we all need to work together.
- Mohammed - Asked about Qatar's role in using natural gas as a bridge from fossil fuels to green energy and regional conflicts, Mohammed states that natural gas is a cleaner and safer form of fuel. The green energy goals are unattainable in the short term. The world needs gas for now. Qatar will have additional gas capacity coming online in 2027. It is unfair for developed nations to demand undeveloped nations stop developing their oil resources. Qatar is trying (unsuccessfully) to talk the Taliban into letting them develop Afghanistan's rare earth elements potential.
- Pekka - Asked about being a Green Party member and helping Finland join NATO, Pekka discusses diplomacy with Russia and Europe. Boosts a potential UN call to arms to defend Ukraine. Boosts EU and praises their defense of Ukraine.
- Pekka - Asked about his opinion on the Russian mindset, Pekka explains that Russia has a dim future because its best and brightest have been leaving the country. However, he also states that Russia must be resisted right now because he expects no resistance to Putin's policies from inside Russia. Finland is also asking Germany for permission to send Finnish-owned Leopard II tanks to Ukraine.
- Christopher - Asked if US foreign policy will change in regard to Ukraine with the new Congress in session, Chris says the US will continue to support Ukraine and says only a few members of Congress are not supportive.

- Mohammed - Interjects that he supports Ukraine but notes that the West is ignoring U.N. resolutions in many areas of the Middle East, most especially the Palestinian question.
- Kristalina - Notes that when she was working in Russia in the 1990s and asked Russians what they were, they would almost always say they were European. Now, however, Russians say they are Russian.

PANEL: Land Matters



This panel focuses on land use. Much of the discussion centered around small farmers and deforestation in Columbia and Brazil. The panelists discussed how to best utilize capital, banking, government, and education to achieve sustainable farming practices. A farmers representative in the audience emphasized the importance of private property ownership for farmers. The end of the panel made certain the audience knew it was all ultimately about climate change.

- Columbia must work with “peasants” (panelist’s term) to create an economy that preserves and sustains biodiversity.
- Maria Muhammed of Columbia calls for “public/people’s” partnership to stop deforestation in the Amazon. Carbon credits are a solution but may be net harmful if not handled properly.
- Rabobank has a scheme that gives small farmers carbon credits for planting trees on their property. Farmers can then sell the carbon credits for money.
- Maria describes that some foreign banks have come in selling carbon credits to indigenous Columbians and the Columbians, often not understanding the contracts, end up selling their land to foreign banks.
- Jennifer Morris of the Nature Conservancy cheers farmers and points out that farmers and indigenous people are not on the WEF panel.
- Token farmer representative planted in the audience and asked for input. Farmer rep states importance of farmers owning their own land.

- Lip service given to the importance of local banks and small farmers.
- Jack Hurd ends the panel by bringing emphasis back on the main topic of climate change.

PANEL: Pack Up and Go - Climate Migration



Panelists assert that over 200 million people will be forced to migrate due to climate change before 2050. Sea-level rise, extreme weather, and droughts are predicted. The emphasis was on opening more legal pathways for immigrants to move around the world. The West is verbally abused for getting rich with carbon fuels and demands are made to transfer more wealth from Western countries to the Global South.

- Climate migration is already much worse than people realize. Current East African droughts and floods are blamed on climate change.
- We don't have the legal infrastructure that we need to handle large amounts of climate refugees crossing borders. According to current laws, climate refugees aren't considered real refugees. Refugees should be allowed to move BEFORE disaster strikes, not after. - Ama Francis
- The science of attribution is getting better. That means it is getting easier to trace natural disasters ultimate cause to climate change using science.
- Proposal for a climate visa. Preference given to people from climate danger areas and LGBTQ+, etc. Ama Francis, Climate Strategist, International Refugee Assistance Project
- Talk about the need to shake down oil companies to pay for climate damage.

- We need to make it as easy to move people around the world as we move goods such as phones around the world.
- Anti-refugee political parties in Europe booed by panelists.
- The West is old and is already suffering a labor shortage. The West NEEDS immigrants.
- Call to have international organizations punish countries who do not live up to their climate commitments.
- It is sad that people turn more to their local organizations (churches, businesses, communities) than international organizations. - Audience Member
- We are in a “polycrisis” - many crises coming together at once.
- All fossil fuels MUST be phased out.

Press Conference: How to Build a Metaverse for All



The Metaverse is a term that loosely captures several different digital virtual worlds. These worlds most often involve cryptocurrency and Non-Fungible Tokens (NFTs). Most of this press conference was buzzwords and word salad. It was disturbing to see how eager they were to regulate (moderate) digital behavior which in the metaverse doesn't just include text or images but also voice and gestures by avatars.

- Metaverse will be an \$800 Billion market by 2024.
- “Equity,” “inclusive,” and “interoperability” are three buzzwords often used by WEF regarding the metaverse.
- There's a lot of word salad in this press conference.
- They are calling for global regulation of metaverse and block-chain projects.
- How can you own an item in one game and transfer it to another game?
- Human rights need to be translated into the digital context.
- Digital reputation is going to become important.
- Mental well-being is a concern as people switch between the real world and the metaverse. There will be new forms of harassment.
- The Animoca Brands Co-Founder Siu Yat expects metaverse projects to spawn new wholly digital entities approximating nation-states.

PANEL: Rewiring the Globe for Resilience



This panel was vague. They discussed the need for resilience and defining what resilience means, but they never discussed what it means.

- Resilience matters, but it isn't free. Consideration must be given to the costs vs. benefits of resilience.
- Growth must be inclusive and sustainable.
- What do we mean by resilience? Standards of resilience need to be established.
- “Just in time” logistics should be supplemented by “just in case” logistics.
- “We are all very vulnerable when it comes to climate change.” - Børge Brende.
- Financing is difficult to get for infrastructure projects if they don't have “climate action” somewhere in the proposal.
- Khaldoon Al Mubarak states the importance of a face-to-face WEF as opposed to the weak virtual WEF of the past few years due to COVID concerns.
- Mariya Gabriel emphasizes the need for education. She sees European unity against Russia as Europe's greatest strength, and she believes that Europe's education system brought about unity.
- Moderator - “What is Europe's answer to the U.S.' Inflation Reduction Act?”

- Prepare for everything. We might have a terrible recession. We might not have any recession at all.
- It's hard to predict, but you can prepare.

PANEL: Securing Critical Infrastructure



Speakers

- James Harding, Co-Founder and Editor of Tortoise Media Ltd
- Øyvind Eriksen, President and Chief Executive Officer of Aker ASA
- Robert M. Lee, Chief Executive Officer and Co-Founder of Dragos
- Josephine Teo, Minister for Communications and Information, Ministry of Communications and Information (MCI) of Singapore
- Edi Rama, Prime Minister of Albania, Office of the Prime Minister of Albania
- Edi - Discusses events in Albania. Coming out of extreme isolation, Albania pursued modernization through digital services. Most government services in Albania can be done on a smartphone. Last year Iran conducted a cyber attack on Albanian government services. Albania worked with the FBI and Microsoft before making the accusation. The attack is ongoing. Several weeks of disruption. No paper backups were available. Albania is building cybersecurity walls now. Edi claims Albania resisted well, considering how small they were and how big the attack was.
- Josephine - Discusses the 2018 cyber attack that stole Singapore's medical records. Since then, cyber attacks have grown

in intensity. Those on “cyber defense” must work hard to stay ahead. Need to move beyond protection and think in terms of resilience. You need to assume you’ve been breached. Have a recovery plan. Encourages collective thinking in terms of cybersecurity. Since many systems rely on cloud, etc, poor cyber security of a private individual cloud user can put the whole system in danger. Encourages international cooperation against cyber criminals.

- James - Plays devil’s advocate, asking if so many resources should be spent on cyber security.
- Josephine - Delivers examples of worst-case scenarios of cyber attacks (e.g. people in hospitals, air traffic control, cyber attacks can kill). She effectively says you can never spend enough on cyber security.
- Øyvind - Discusses dangers of hybrid cyber and physical attacks, such as an attacker getting cyber control of an oil or gas facility and causing changes in flow, production, or even an explosion.
- Robert - Praises Singapore for public-private cooperation on cybersecurity. Discourages other nations’ approaches of top-down regulations to achieve cyber security. Emphasizes that resources are limited and private businesses can best determine what is the highest priority for defense in regard to cybersecurity.
- Edi - Claims that if cybercrime was a state, it would be the third largest economy in the world behind the U.S. and China. Points out that it is easier for governments to spend to make something happen than to prevent something (cyber attacks) from happening. Encourages international cooperation against cybercrime. Claims it’s much worse than COVID.
- General discussion on what exactly critical infrastructure is. No consensus.
- Robert - Discusses Pipedream, an Industrial Control Systems (ICS) malware that is a repeatable and reusable cyber attack. Most cyber-attacks are specific codes for specific systems. Pipedream was used by Chernovite to target US liquid natural gas and

key electric grid sites. Here's a video that goes into more detail:
[YouTube Link](#)

- Who are the attackers?
- Robert - Sometimes it's state actors, but lately, it can be anyone.
- Øyvind - Emphasizes that companies must closely watch their employees from recruiting on to avoid bad cyber actors within an organization.
- Robert - Warns against sweeping government regulations. He criticizes the TSA's reaction to the recent pipeline hack in the US.
- James - Walks down memory lane and discusses a WEF panel from 20 years ago that led to the creation of Gavi, the Vaccine Alliance. ([READ MORE: Gavi](#))

PANEL: In the Name of National Security



This panel focused on the challenges of new technologies, especially digital data, drones, and Artificial Intelligence (AI). It seems like Ukraine is the testing ground for a digital gulag that the WEF wants to build for the world. There was back and forth on how both sides are using drones to fight the war.

- Ukraine is pushing ahead with “e-government” despite the war.
- Iranian drones use Western-manufactured components.
- Export controls and sanctions are cheered.
- There is a great opportunity and great danger with each new technology. - Christopher Wray, FBI
- What if autonomous vehicles get weaponized?
- Civil Defense practices in the physical battle of WWII need to be applied to citizens’ use of digital technologies in WWII.
- Christopher Wray cautions on China’s AI program.
- Data is the most important input to winning the AI game.

**Economics &
Finance**

PANEL: A New Reality: Building the Metaverse



The panel discusses the potential of metaverse technology.

- “Metaverse” as a term was first published in 1992 by Neal Stephenson, a science fiction author.
- Metaverse is an immersive experience. The next version of the internet isn’t flat.
- Game developers will lead metaverse development.
- Meta (Facebook’s parent company) is working to produce what is, essentially, an improved Google Glass type of eyewear that would provide an augmented reality (AR) for its users.
- 5G and high-speed internet are essential for the broad use of metaverse applications.
- Revolutionary new screen technology is needed to create a true metaverse experience.
- A few panelists make subtle digs at Facebook with a Facebook executive sitting on the panel.
- Interoperability will be important and challenging to achieve.
- Zero Knowledge Proofs may be a solution to privacy concerns.
- The Sci-Fi author gives a closing statement about the urgency to remove carbon from the economy.

PANEL: AI and White-Collar Jobs



Speakers:

- Ina Fried - Axios
- Sir Martin Sorrell - Founder WPP plc, advertising and PR
- Mihir Shukla - CEO Automation Anywhere, AI developer
- Erik Brynjolfsson - Digital Economy Senior Fellow at Stanford
- Lauren Woodman - CEO Datakind

Notes:

- Thought automation would improve their jobs, then realized AI threatened their jobs.
- 15-17% of computer work can now be automated.
- “Are customers reducing or reassigning the workforce?”
 - Says 20% of current AI work is new work that did not take a job. Does not directly answer the question. Estimates 2026-27 40% of AI work will be work that was not previously viable due to tech or economics.
- Letting it run is not advised because AI has “trouble with the truth.”
- Shukla says the WEF expects no more population growth for the next 20 years.
 - Last 60 years, growth was dependent on population increase and productivity increase.

- No pop growth means productivity must be DOUBLED in 20 years.
- Without doubling productivity, no NHS, no Soc Sec, etc
- Shukla says AI use is the answer to push productivity. Without it, there will be riots in the streets as things shut down
- Shukla claims that reskilling is possible.
 - Claims 85% success rate in teaching “burger flippers” in the Mississippi Delta to be AI engineers.
- Brynjolfsson claims AI can map out skill sets for reskilling and augment HR management.

PANEL: Banking in the Eye of the Storm



This was a panel of mainly bankers discussing crypto's threat to the current financial system. Panelists were largely dismissive of crypto, referring to it as a Ponzi scheme. Multiple panelists noted that the existing financial system was inefficient as a cross-border payments processor, which is an advantage that crypto or digital currencies have over traditional finance. Panelists were open to traditional finance adopting features of crypto without adopting a decentralized cryptocurrency system. Instead, traditional finance should focus on innovation to adapt to changing technology and financial needs.

- Colm Kelleher, chairman of UBS, said that the world got lucky that the crypto market was not a systemic threat at only \$3.8 trillion. Believes the European banking system is losing to U.S. banks in competitiveness.
- France's central bank governor said that Bitcoin and crypto would be back in some fashion. He later added that "banking unions" are the future of European banking.

PANEL: Chief Economist Briefing



- Saadia Zahidi (WEF): Two-thirds of economists polled say a global recession is likely.
- Gilles Moec (AXA): Consumers in 2022 bore the brunt of inflation shock. Buffers are being reduced due to higher inflation, which will lead to cost-cutting for companies.
- Nela Richardson (ADP): The U.S. workforce will grow at half the pace in the next decade as the previous decade. Labor shortages will persist.
- Raghuram Rajan (Chicago Booth): Some companies that couldn't push out bond maturities during the pandemic will start to experience problems sooner, while some companies that pushed out bond maturities during the pandemic will start to experience problems later. Believes the Fed cutting interest rates is overly optimistic.

PANEL: Finding the Right Balance for Crypto



This panel got a little spicy. It was composed mostly of central bankers and regulators, but notably, the CEO of the crypto company Ripple was present. Also, a Chain Analysis (a crypto analysis company) employee spoke up from the audience to challenge assertions being made about criminal activity in crypto. Overall they all seemed eager for more regulation of crypto companies, users, and assets.

- The average person's opinion on crypto is polarized. Some think it's the best thing ever. Some think it is the worst.
- UAE has a Virtual Assets Regulatory Authority (VARA).
- Mairead McGuinness, Commissioner for Financial Services EU, cheers regulation of crypto. She insists that she is listening to crypto users and builders before crafting her regulations.
- The problems discussed are problems only with centralized crypto, not decentralized crypto.
- Klaas Knot, a central banker, stoked fears of crypto money laundering. He says crypto companies are headquartered in "sunny places for shady people."
- Brad Garlinghouse, Ripple CEO, argues that crypto is already highly regulated. Insists that the majority of people in crypto are good actors.
- Mairead mentions that the original culture of crypto was extremely anti-establishment. We must fight against those who believe crypto needs no regulation.

- Web3 is the convergence of metaverse and blockchain technology. Web3 is the future of the internet. - Omar Al Olama, UAE Minister
- UAE called out because Sam Bankman-Fried fled there. The UAE minister gets defensive. He states that governments need to work better together to keep criminals from moving around the world.
- A Chain Analysis employee in the audience points out that criminal activity in crypto is much smaller, even as a percentage of the overall market, than criminal activity in other financial systems.

PANEL: In the Face of Fragility: Central Bank Digital Currencies



The general thrust of the panel is that Central Bank Digital Currencies (CBDCs) are important and merit further study but are not ready to be rolled out worldwide yet. Maybe in 5 years?

- Peru is one of the fastest growing economies in Latin America.
- Growth in digital payments increased by 270% in Peru.
- Peru is pushing digital payments but does not yet feel it is ready for a CBDC.
- If each nation sets up its own CBDC, they need to ensure interoperability to facilitate cross-border transactions. If successful, transactions would be immediate instead of taking a few days as they do now.
- A CBDC experiment was conducted by the Central Bank of Israel and unspecified Nordic Countries. It was considered a successful trial run however, Anti-Money Laundering (AML) standards were not fully considered.
- Lesetja Kganyago, South African Central Bank President - “Is the CBDC a solution looking for a problem? Or is there a real problem that needs to be solved? If there is a problem, what is it? Why can’t central banks just modernize to the digital world?” South Africa is also nervous about CBDC. They will not be the first movers on this technology.

- There are problems with international payments. High transaction costs. Opaque rules.
- SWIFT, the organization that handles most international payments, claims they are ready for CBDCs right now.
- Euroclear is experimenting with settling bonds and equities with digital currencies.

PANEL: Fiscal Expansion: Ticking Bomb?



- Gita Gopinath (IMF): The fiscal balancing act facing central banks is that inflation remains high while fiscal policy is required to counter geopolitical shocks, such as threats to food security. Central banks can expand their balance sheets to pay for government programs as long as investors maintain faith in the currency and inflation doesn't skyrocket. A digital identity can help with tax collection.
- Raghuram G. Rajan (Chicago Booth): Governments need to do a better job of assimilating immigrants into the workforce. Lack of assimilation leads to protectionism – i.e., “the spending has to be on *our* people.”

PANEL: Is the World in a Debt Spiral?



- Global debt is at \$300 trillion.
- Ken Rogoff (Harvard): Believes inflation-adjusted interest rates will be higher for the next decade. Doesn't believe there will be defaults in advanced economies, but smaller countries could experience trouble. Sovereign debt defaults and corporate debt defaults would be at risk during periods of significant recessions combined with high-interest rates. Parts of the United States will become very difficult to live in because you can't get insurance due to climate change. "Small island states" will have particular trouble because "there's nowhere to move."
- Axel van Trotsenburg (World Bank): About 60 of 75 of the world's poorest countries are debt distressed or struggling to pay their debts. An international effort led by a single institution, such as the IMF, is required to develop a comprehensive plan to tackle debt problems.
- Jose Antonio Ocampo (MinFin Colombia): Middle-income countries are also facing higher interest rates and higher debt, while the ability to refinance is more difficult.
- Rachel Reeves (UK): The United Kingdom is a warning, even for advanced economies, that higher interest rates and bond vigilantes can strike against poor fiscal planning.

PANEL: Mastering New Energy Economics



Panelists pushed green energy initiatives not only as a way to get around Russian energy import bans but also as a global and national security priority. There was some concern about sustaining the momentum of green energy in 2023 at the same level of urgency as in 2022. The panel ended without addressing China's role in carbon emissions.

- Fatih Birol (IEA): We are facing the very first global energy crisis. International agreement on green energy initiatives following Russia's invasion of Ukraine is the greatest climate agreement after the Paris accord.
- Martin Wolf (FT): Europe is responsible for about 10% of the world's carbon emissions, so major efforts won't actually make a dent in global emissions. "Countries which have a lot of fiscal room, like the U.S. and Europe, just need to be prepared to borrow and spend a lot" to offset carbon emissions from emerging and developing economies, which are driving the most new carbon emissions.
- Patricia Poppe (PG&E): "California is the frontline in the war on climate."
- Vicki Hollub (Occidental): Building the world's largest direct air capture facility to remove carbon emissions from the atmosphere. Occidental Petroleum is becoming a carbon management company. Taxing windfall profits will hurt the oil and gas industry's investment into de-carbonization and transition to green energy.

PANEL: Relaunching Trade, Growth, and Investment



Speakers

- Børge Brende, President, World Economic Forum Geneva
- Alexander De Croo, Prime Minister of Belgium, Office of the Prime Minister of Belgium
- Laurence “Larry” D. Fink, Chairman and Chief Executive Officer, BlackRock Inc.
- Ngozi Okonjo-Iweala, Director-General, World Trade Organization (WTO)
- Robert Habeck, Vice-Chancellor and Federal Minister for Economic Affairs and Climate, Federal Ministry for Economic Affairs and Climate Protection of Germany, Green Party
- Ngozi - Global recession is likely but not inevitable. Estimates are uncertain. War in Ukraine may end soon. Soft landing is possible. Trade could grow more than expected. Encouraging public optimism is important. A new type of globalization is needed. Invest in developing countries.
- Larry Fink - Fragmentation is occurring due to national security concerns. Fragmentation increases inflation. Increased globalization is necessary to stabilize prices. We're in a transition that will be painful, but once it's done, things will be good. Gov-

ernments and businesses need to work closely together to find solutions. Pushes de-carbonization.

- All cheer Inflation Reduction Act's (IRA) de-carbonization schemes.
- Robert - Pushes back slightly. He is concerned the IRA will suck green energy investment away from Europe. Expresses concern over free trade and democracy. Seems concerned about Europe's voice (or lack thereof) in the New World Order.
- Alexander - Wants more free trade. Discusses disaster of covid on trade. Points out that current geopolitical conflicts are due to restrictions on trade. Cheers IRA. Encourages Europe to invest even more in green energy. "The answer is not less trade. The answer is more trade, but better trade and better investment." (*AC: He means more green energy. - J.H.*)
- Ngozi - "The future of trade. It's services, it's digital, it's green." Warns against "subsidization race" as in the US and Europe spending more and more on green energy within their borders, ignoring emerging markets who cannot compete.
- Larry - It's not just friendshoring. It's that manufacturing is evolving. It's better to have goods produced closer to where they will be used. (Manufacturing bound for US markets moving from China to Mexico, for example.) Redundancy is needed. We cannot just depend on a few ports. "Private capital seeks the highest and fairest return."
- Ngozi - Nervous about friendshoring. "Who is a friend?" Wants more investment in the developing world.
- Alexander - Brought up that Europe is too dependent on the US for security.
- Robert - Decries Germany's reliance on Russia for energy. He flagellates his own country for helping build Nord Stream I & II. He wants a federal European republic.
- BlackRock CEO was asking for countries to push hope so people feel more comfortable investing in BlackRock.

PANEL: Staying Ahead of a Recession



“The end of cheap money” was a topic of interest as countries facing slowing economies also face higher interest rates and more expensive borrowing costs.

- Axel Lehmann (Credit Suisse): “Well, of course, there are a lot of reasons to get worried” about recession threats. “I think the world is probably fundamentally changing, and we are entering into, I will call it a multi-polar world.”
- Laura Cha (HKEX): “Definitely, the reopening of China has to be the major event... The lockdown over the last three years has created pent up demand... At the same time, you know, the commodity prices may go up, they may drive inflation.”
- Douglas Peterson (S&P Global): Sees a mild recession in the first half of the year. “Labor participation has dropped... If we want to have a huge investment in semiconductors, if we want to invest in the energy transition, which is coming, do we have skilled labor for pipefitters, machinists, people who are going to be able to build that and do that kind of construction? I don’t know if we do in the United States so that labor pressure could continue. And we could see the need for a much more comprehensive immigration reform to bring in the skills we need.”

PANEL: The Economy of a Super-Ageing Society



Speakers:

- Desmond Lee, Singapore Minister of National Development
- Noura Berrouba, President of the National Council of Swedish Youth Organisations
- Martine Ferland, CEO of Mercer
- Lard Friese, CEO of Aegon
- Daryl White, BMO Financial Group

The panel is focused on an aging workforce, not an aging society. Singapore is held up as the example for the world, and they recommend increasing the retirement age so that people work longer. The panel stresses changing the “school, work, retirement” model to one that contains multiple sessions of school throughout life to “increase productivity.” When the panel is pressed on how societies will pay for 20% of its population to be over 60 years old, they suggest immigration to increase the workforce, raising taxes, and keeping seniors healthy enough to work. The youngest panelist, Noura Berrouba of the National Council of Swedish Youth Organisations, repeatedly brought up that young people have no means to save or develop wealth and that this model is unsustainable.

- Lee is asked about how Singapore is handling an aging society
 - “Treat it as life stages.”
 - “Government’s job is to *enable*, not *disable*.”

- Bump retirement age up. Singapore is currently retiring people at 63 but will be increasing the age to 65 by 2030
- Social care
- Lard, what are the innovative solutions for longevity?
 - Longevity changes the “school-work-retirement” model
 - Return to school multiple times to increase productivity
 - “Live your best life.”
- Noura, Are the young contemplating a life that could reach 100 years?
 - Quality of life is the most important
 - Social contract:
 - An aging society is a burden on the young
 - Migration is the solution
 - Gov, corp responsibilities to the people
 - Intergenerational solidarity needs to go both ways. Many young people do not think it comes back to them.
- Darryl, from a financial health perspective, how do you ensure longer living?
 - The most interesting framework is the simultaneous transformation occurring on three different levels:
 - Longevity
 - A complete shift from the SWR model to financial resiliency
 - Multigenerational approach to financing
 - Thinks we are woefully unprepared for the shift from the SWR model to “nonlinear life.”
 - 50% of Americans 18-29 live with their parents
 - Eldercare
 - Commingling
 - Estate planning
- Martine, we need longevity literacy
 - Not possible for younger generations to take care of 20% over 60

- The younger generation not using real estate to build wealth
- Lee, when we think about the topic of “health is wealth:”
 - Invest in next generation
 - Spending for a super-aging society will go up
 - Try to contain healthcare expenditure but know it will go up
 - Centralized public-private partnership
 - Raise taxes, and find revenue but do not borrow for expenditure
 - Help seniors remain healthy and productive
- Do we tax vices like bad food, fast food, alcohol, tobacco, etc.?
 • Lard: this would raise money to fund healthcare systems
- Thoughts on highest institutional trust in employer and longevity literacy
 - Noura:
 - Starting wages do not allow for savings
 - Young people live paycheck to paycheck
 - People do not have the foresight, time, or money to plan for retirement
 - Employers must pay young people more and have them work less
 - Darryl:
 - “Single-channel education is not enough.”
 - Encourage “advisors” in their life.
 - *(AC: Sounds like someone you keep on retainer, like a lawyer. - J.V.)*
 - Lard:
 - Affordable housing can be solved through a public-private partnership.
- Migration is approached from securitization. In light of these challenges, do we not need a more welcoming approach? What can the private sector do to ensure this?
 • Lard:

- Welcome new immigration
- Not enough time in the panel to properly address it
- 30 seconds, key priorities for longer lives
 - Darryl: innovation, don't think about what got us here
 - Noura: Privately, invest in health and mental health; Work-wise, foster intergenerational equity/solidarity
 - Lard: invest in reaching out to all customers everywhere; living longer means we should take better care of the planet.
 - Lee: continue to innovate, integrate housing, so seniors live with senior services, give seniors "last mile" education, health-social-community triangle to avoid acute diseases

The Future of Jobs:



- U.S. Labor Secretary Marty Walsh discussed the labor conditions facing the U.S. economy. “The workplace is going to be very different, and I don’t think it’s going back to what it was pre-pandemic,” he said, speaking of the pandemic recovery. The future of work in the United States, according to Walsh, is moving lower classes into middle-class jobs by increasing the labor force participation rate and improving workforce training for new and existing industries. Walsh also said that the U.S. needs an improved immigration system to bring in more foreign workers. “The threat to the economy, long term, is not inflation, it’s immigration, it’s not having enough workers.”
- Asked if governments should welcome an increase in union activity in response to “industrial strife” (strikes, labor protests, etc.) Walsh said that leadership is needed to combat inequality, regardless of its source (political, business, union, etc.). Walsh went on to describe the post-George Floyd summer of 2020 as “somewhat of a revolution” that failed to bring social change.
- Jose Maria Alvarez-Pallete, CEO of Spanish firm Telefonica SA, warned that if investment doesn’t flow into apprenticeships, job training, and other non-university education, then western countries will deal with a large wave of destabilizing populism.
- Director-General of the International Labour Organization (ILO) Gilbert Fossoun Hougbo twice said that “education should be free.” (*The ILO is a specialty agency of the United Nations.*) Hougbo went on to say, “I always believed that even in the U.S., the young people should have access to free education.” Walsh responded, “I agree with you... That’s where we’re headed in

America. We need to head that way in America in a lot of different ways.”

- Pamela Coke-Hamilton of the International Trade Centre discussed systemic inequality. “Inequality is systemic. And that’s the root of the problem, that when something is built in as a system, you have to literally rip the system out, and a lot of people aren’t willing to do that.” These changes have to be “specific, they have to be measurable, and they have to be timelined.”

PANEL: What Next for Monetary Policy



The year 2022 saw a number of geopolitical shocks that challenged central banks. The panel discusses what's next for monetary policy as the world transitions from low interest rates to high interest rates.

- Larry Summers (Harvard): Unsure if the U.S. is in a new inflationary paradigm, but secular stagnation is here. As a percentage of GDP, fiscal stimulus during the pandemic was 4-5 times larger than during the Great Financial Crisis. Believes the Fed upward revising their 2% inflation target “would do substantial damage to [Fed] credibility.”
- Thomas Jordan (Swiss National Bank): Believes interest rates in the U.S. and Europe are headed higher.

Geopolitical

PANEL: China's Next Chapter



- Kevin Rudd (former AUS PM): Expects the Chinese economy to resume its previous economic growth path. China faces economic headwinds on falling exports as foreign markets hit a recession. “The challenge for geopolitics... is can we find a stabilizing mechanism given the reality of that competition to prevent it from escalating into some future crisis, conflict, or war. That’s the challenge for us all... There is a real risk that we will still experience a high level of decoupling.”
- Weng Jieming (SASAC): China’s state-owned enterprises have projects and interests in 180 countries around the world. China wants reciprocity with foreign countries in exchange for access to the Chinese consumer market.
- Marcos Troyjo (NDB): The E7 has higher economic growth than the G7. China’s global position will become stronger if they become an architect of the next phase of globalism.
- Nicolas Aguzin (HKEX): Chinese save 20-25% of disposable income. Saved up to 35% during the pandemic. China has \$2 trillion of consumer money waiting to be spent during the re-opening.

PANEL: De-globalization



World Economic Forum (WEF) speakers and panelists continue to warn about the future of a de-globalized world, and much of their focus this year centers on how to foster global cooperation through this period:

- Eurasia Group’s Ian Bremmer talked about “transitory de-globalization” and the world being in a “geopolitical recession.” Bremmer implied that re-globalization is still possible with enough global cooperation. Bremmer also warned that conflict between the East and West is going to be “worse than a Cold War.”
- Historian Niall Ferguson described de-globalization as a “journalistic narrative,” adding that the data doesn’t actually show de-globalization. Instead, he says a series of global economic shocks have altered parts of global trade, but the death of globalization is being greatly exaggerated. Ferguson also believes that the production of hardware “is the domain of Cold War 2.” He added that “There is a clear risk that Cold War 2 becomes a hot war” as the United States’ tech war gives China a *casus belli* over Taiwan. Ferguson also poured cold water on the idea of “global cooperation,” especially on climate, because China’s cooperation extends only so far as Chinese interests are concerned. Ferguson said that China would do anything that promotes growth since the current 3% annualized GDP is insufficient to keep the Chinese economy stable.
- New Zealand’s Ngaire (pronounced Nye-ree) Woods says that the global tech race is “blurring the lines between government and business” as governments provide funding and subsidies to its technology sectors for national security purposes.

- World Trade Organization's Ngozi Okonjo-Iweala warned, "If the world were to decouple into two trading blocs, it could cost a 5% decrease in global GDP over the longer term... That's more than what we lost in the financial crisis... This is one thing we cannot do if we want to talk about growth."

PANEL: Press Conference: Global Collaboration Village



The World Economic Forum (WEF) kicked off in earnest on Day 2 with a press conference about a virtual metaverse called “Global Collaboration Village.” WEF founder Klaus Schwab spoke briefly about its “village partners,” which include countries, corporations, academic institutions, and international organizations. “I’m fascinated with the capabilities which we have... This is the next phase in the development of our virtual world,” Schwab said. Accenture’s Julie Sweet said that by 2025, the metaverse will influence over \$1 trillion of economic activity across the consumer, enterprise, and industrial sectors. Sweet added that the World Economic Forum “is using emergency technology” to bring another use case of the metaverse for solving “big problems” for the public sector. Microsoft Vice-Chair and President Brad Smith said that the Global Collaboration Village will be available for the general public via Microsoft Mesh through glasses and tablets and other internet-connected devices.

Analyst Comment: The WEF wants the ability to reach the entire global population through connection to the Village. While the platform is not yet ready for general accessibility, Schwab says that every member of the world will be able to interact. A “digital identity” will almost certainly be attached to each user, giving them a global identity number and allowing the WEF to track the data and activity of Village users. - M.S.

PANEL: Global Cybersecurity Outlook 2023



Speakers

- Jeremy Jurgens - Managing Director WEF Geneva
- Nikesh Arora - CEO of Palo Alto Networks
- Julie Sweet - CEO of Accenture
- Jürgen Stock - Secretary General of INTERPOL
- Edi Rama - Prime Minister of Albania
- Global Security Outlook surveyed 300 executives: 93% of “cyber leaders” and 86% of “cyber business leaders” believe geopolitical instability makes a catastrophic cyber event likely in the next two years.
- Cyber attacks can spread unpredictably - the cyber attacks on military communications in Ukraine by Russia spread to electricity production, impacting all of Europe.
- Geopolitical fragmentation makes collaboration and response more difficult
- Business leaders increasingly see cyber security as part of strategic investment plans - 49% of executives say cybersecurity fed into decisions on countries they would invest in

- Increased interactions between business leaders and cyber professionals - 56% of cyber security leaders meet monthly or more with company boards
- The impact of cyber threats on international security is increasingly severe and increasingly complex - cybercrime as a service
- Organized crime moving into the cyber realm
- “If cybercrime were a state, its economy would be the third largest in the world after the US and China.”
 - 2015: \$3 trillion in cybercrime economic activity
 - Projected for 2025: \$10.5 trillion in cybercrime economic activity

PANEL: Latin America, Analyzed



Speakers:

- Arancha Gonzalez Laya, Dean, The Paris School of International Affairs (PSIA), Sciences Po
- Moisés Naím, Distinguished Fellow, Carnegie Endowment for International Peace
- Luciano Huck, Host, Rede Globo
- Ilan Goldfajn, President, The Inter-American Development Bank
- Felipe Bayon, Chief Executive Officer, Ecopetrol SA
- Ana Cecilia Gervasi Diaz, Minister of Foreign Affairs, Ministry of Foreign Affairs of Peru

Notes:

- Moisés - “Latin America is full of failed governments.” This is largely due to Latin American governments’ failure to attract and keep talent. Latin governments are full of people who have no idea what they are doing. Supports the ejection of the previous Peruvian president.
- Luciano - Makes anti-Bolsonaro remarks. Praises democracy. Decries division in Brazil. Calls for unity yet also calls 50% of Brazilians that disagree with him “fascists.”
- Ana - Discusses the Peruvian situation. She claims old president Castillo attempted a coup, but luckily democratic institutions in

Peru prevented this and arrested him. Apologizes for casualties of protestors supporting Castillo. States that Peru will soon have elections and that the current government is just a transition government.

- Ilan - Asked about how to build a new social contract in Latin America. Gives boilerplate answers about equality (and mentions gender equality.) States need infrastructure, especially digital infrastructure and financing for infrastructure projects.
- Felipe - Repeatedly states the need for more and improved electric transmission lines.
- Luciano - States that social mobility in Brazil is gone.
- Felipe - Brags about his company's efforts to meet ESG requirements.
- Ana - Wants to strengthen institutions and government leaders.
- Moisés - Mentions Iran has a presence in Latin America because there is a vacuum. He predicts China and Russia will increase their presence in Latin America. Says democracy is in danger of extinction in the world. Insists on a need for political parties.

PANEL: Restoring Security and Peace



Speakers:

- Fareed Zakaria, CNN show host
- Jens Stoltenberg, NATO Secretary General
- Andrzej Duda, President of Poland
- Avril Haines, U.S. Director of National Intelligence
- Chrystia Freeland, Deputy Prime Minister of Canada, Finance Minister of Canada
- Yuliia Svyrydenko, First Deputy Prime Minister of Ukraine
- The panel focuses on bringing peace to Ukraine and maintaining a Liberal World Order.
- Chrystia Freeland, Deputy Prime Minister of Canada, was asked if she worried about the staying power of the west. She replied that it would be stupid not to worry about that but immediately rebutted the worry by stressing that Ukraine was going to win the war and demonstrate the strength of democracy to the world. Andrzej Duda, President of Poland, refused to speak on the staying power of the west. No other officials were asked about this topic. *(AC: Getting non-answers on this topic in front of the entire leadership class of the western world is troubling. It suggests that second-tier western nations do not view the west as stable at this moment. This lends extreme credence to Max's idea that the war in Ukraine is existential for western leaders. - J.V.)*

- Yulia Svyrydenko, First Deputy Prime Minister of Ukraine, was asked to speak on how much it would cost to rebuild Ukraine. The Deputy estimated that it would cost one trillion dollars to rebuild it as of last week. She also stated that Ukraine would seek payments immediately upon its victory and that the west should ensure a victory this year. Freeland, as a Finance Minister, was asked if it would be possible to fund Ukraine's reconstruction. She started with the caveat that Ukraine must first win the war but went on to recommend an International Monetary Fund and a campaign to "tell Western populations why this matters."

Freeland is asked if she worries about the staying power of the west.

- "Of course! It would be stupid not to!"
- Still confident because of the job Ukraine is doing
- Claims a sense of superiority developed after the fall of the USSR
- "Ukraine is teaching us the strength of democracy."
- The second cause for confidence is "values."
- She thinks Ukraine is going to win the war.

Stoltenberg is asked, "Ukraine wants to be part of NATO. Will you let him in?"

- NATO's position has not changed. Ukr will become a member of NATO. Thus, we must ensure they win the war.
- Putin winning sends a message that war works for international goals.
- Claims admiration for Ukrainian leadership and armies
- Says, in an astonished manner, Putin is willing to sacrifice thousands and thousands of soldiers

Haines, what would your message to Ukrainians be that the US will do to help Ukraine?

- Disclaimer, DNI does not set policy
- "The conflict in Ukraine has global implications beyond the Rule of Law, beyond even the values piece..." plus:

- Strength of our alliances
- Economic ramifications
- How “we” manage crises in the future where the rule of law and “charters” are violated
- Nuclear proliferation

Haines is asked, “Ukraine is asking for more advanced weaponry. Do you think the administration is likely to approve these requests?”

- Does not speak for the policy community
- Government is likely to continue giving more

Duda, speak on the staying power of the west. Do you think this can go on for years? Do you get the sense the Polish are tired of hosting refugees?

- He does not address the staying power of the west.
- If there is anything we can do for the defenders of Ukraine, we should protect their families. Poland remains committed to providing Ukraine with military equipment.
- Claims Zelensky demanded immediate security guarantees from NATO in Lviv.

Yuliia Svyrydenko is asked, “what will it cost to rebuild Ukraine?”

- Uses the World Bank estimation of \$1T and growing
- “No one doubts Ukraine will win this war.”
- Figure out how to bring about a swift victory
- Victory for Ukraine will result in them immediately asking for more money to rebuild
- Wants victory in 2023

Freeland is asked, “will it be possible to give Ukraine the money to rebuild?”

- She dodges the question to say that a Ukrainian victory must come first
- Claims Ukraine is a functional state
- Ukraine needs an IMF program

- There needs to be public buy-in
 - Canada issued public sovereignty bonds for Ukraine, and \$500M issued
 - Need to tell western populations why this matters
- Ukrainian defeat means smaller countries will be subjugated to bigger countries. This alludes to smaller countries arming themselves with nukes.

Haines, the elephant in the room IRT Russian victory, is that China will then invade Taiwan. Talk about this.

- Nuclear saber-rattling IRT PRC, what is the lesson they're learning from Ukraine?
 - Confirms that nuclear armament is critical to deterring US interference
- Likely that "we" exceeded their expectations in regard to the strength of our alliances
- Sanctions would be more devastating against China but hurt the west more
- Thinks China materially supporting Russia while not vocally supporting Russia is a sign of discomfort for China

Stoltenberg, update on Sweden/Finland's accession to NATO? Turkey is leveraging their vote

- Confident Turkey will capitulate
- The aim of Putin is to get less NATO
- More NATO on Putin's border is to deter war (Sounds like escalate to deescalate but with a NATO flag)

Stoltenberg, if Russia attacked Sweden or Finland tomorrow, would NATO come to their assistance?

- Stoltenberg confirms.

PANEL: Leadership for Latin America



Speakers:

- Marisol Argueta de Barillas, WEF Head of the Regional Agenda for Latin America
- Rodrigo Chaves-Robles, President of Costa Rica
- Gustavo Francisco Petro-Urrego, President of Colombia
- Guillermo Lasso-Mendoza, President of Ecuador
- Raquel Pena, VP of the Dominican Republic
- Fernando Haddad, Minister of Finance for Brazil

Summary:

- The panel was not merely focused on leadership in Latin America but on how Latin America will lead the world. Brazil's Finance Minister, Fernando Haddad, pushed for Latin America to be seen as the center of the world's green energy movement. President of Colombia, Gustavo Petro-Urrego, claimed that the first step to clean energy was a monolithic energy grid running from southern Argentina to Alaska.
- When asked about how Latin America can become more integrated into global supply chains, President of Costa Rica Rodrigo Chaves-Robles recommended foreign direct investment, increasing diversity and gender parity, and deregulating high-tech businesses. President Chaves used this same question to demand that LATAM fight against the powers that have had power and influence over their elections.

To Lasso-Mendoza, inflation is affecting the world. You managed to strike a positive balance between tax deficits and social investments. How did you do it?

- COVID vaccination
- 4.2% growth
- The deficit was 7.7% of GDP and lowered to 1.7%
- The secret is fighting corruption and keeping public spending “under tabs,” public investment will be 51% of the government budget for 2023

To Petro-Urrego, social justice is a pillar of your government. Social debt is huge in the region. You proposed reforms for Colombia, and at the previous plenary session, you laid down your green vision. What about the economic area? Tax reform was already passed. How do you bring more investment to Colombia?

- Climate change has become a lens to look at Colombian and global policies. It helps build a narrative.
- South America has two big potentials.
 - Amazon Forest. Requires creation of a “world fund” to revive the Amazon.
 - Latin American ability to create clean energy. Proposes an electrical grid expanding from Patagonia to Alaska as the FIRST ELEMENT. Claims the grid is almost built.
 - Requires foreign investment focused on the construction of Latin American clean energy
 - Wants to move from an “extractive” economy to a “productive” economy (speaking of extracting resources from the earth versus producing products from those resources).

To RCR, what is Costa Rica (CR) doing to become more integrated into supply chains? How can we make LATAM more integrated, get better results, and build a lasting legacy?

- Huge foreign direct investment in medical, microprocessors, aerospace, and car components.

- CR invested in having and making sustainable development goals
- CR has democracy, respect for minorities, freedom of expression, and gender parity, to build a powerful brand
- The current government is signing a trade agreement with GLM. It joined the “Pacific Alliance” but is also *trying* to join the TPP.
- Improving the business environment for high-tech by removing regulations.
- “People, Planet, and Prosperity”
- This will create winners and losers. The losers have had political power and influence over elections, and “we need to fight that! We need to fight that internally!”

To the Vice President of the Dominican Republic, more than 70% of the productive base in LATAM are [small and medium enterprises]. How can we ensure that trade benefits reach SMEs?

- The pandemic response allowed for the immediate economic re-opening
- 2022 had a 5.5% economic growth
- Invested in skill development for “all the population.”
- The President of the Dominican Republic instructed the government to use businesses as state suppliers.
 - This directly led to job creation and will be used as a model for the world.

To FINMIN Brazil, Could you please tell us about your vision of Brazil’s role in LATAM economic development?

- Says Lula’s government is responsible for historic trade levels due to diplomacy in his first eight years
- LATAM can be the world’s center for green energy.

To Petro, explain your vision to achieve peace in Colombia

- The current war in Colombia is due to drugs. Has to do with worldwide policy about drugs.
- War on Drugs failed

- Social-legal instruments
 - Colombia cannot be pacified without local and global vision.
 - Drugs need to be decriminalized around the world
 - .Colombia-Ecuador border region ([Tumaco](#)) is predominantly afro-latino, is the poorest region in the world, the largest cocaine production region in the world, and requires world investment and worldwide drug decriminalization.

PANEL: Squaring Europe's Energy Circle



The panelists talk about how Europe must transition to green energy as soon as possible; however, they also admit that green energy is in no way ready to provide for the people of Europe in 2023 or 2024. European oil company executives also state that green energy projects are not economically sound and need massive government subsidies to be built.

- The EU has a goal to reach carbon neutrality by 2050.
- Europe is seeking to replace Russian gas with gas brought in through LNG shipping terminals while also trying to reduce the overall consumption of Liquid Natural Gas (LNG).
- Europeans at the WEF seem very concerned about the U.S. Inflation Reduction Act's subsidies for green energy. They want Europe to meet or exceed U.S. spending on green energy.
- Denmark has proposed a North Sea "energy island" of mostly windmills possibly producing hydrogen.
- Physical security is brought up vis-a-vis the Nord Stream II sabotage. More public-private partnership is proposed to provide security for energy infrastructure.
- The EU will "temporarily" create a buying cartel to help control energy prices.
- ASA (European Oil Company) executive states that green energy projects are not economically viable, so to meet green standards, energy companies will need more government subsidies.

- The point is made that green energy infrastructure is inadequate and must be built out before further green energy restrictions are implemented.
- Tariffs were offered as a tool to protect Europe.
- European Commissioner of Energy Kadri Simson cheers Ukraine and boos Russia at some point in every statement she makes.
- Interesting to hear an oil company executive comment that governments “need to redistribute wealth.”
- Audience Question: How do you balance subsidies and tariffs to best make the green energy transition work?

Answers:

1. Stay united against Russia
 2. Stay flexible on inputs (copper, rare earth elements, etc.)
 3. Abandon the market economy, for now, to get things developed, then go back to markets.
- Viewers are encouraged to reflect on how much energy they consume and find ways to conserve. Be ready to make hard decisions to achieve carbon neutrality.

PANEL: The Middle East: Meeting Point or Battleground?



This panel was very hopeful for the future of the Middle East. The Palestinian conflict was mentioned, but optimism was expressed that a solution could be found. The Saudi Prince was not so optimistic about peace in Yemen.

- It's been 20 years since the start of the Iraq war.
- Prince Faisal - Saudi Arabia is the world's fastest-growing economy. Vision 2030, a Saudi program, is not just for Saudi Arabia but for the whole region.
- The moderator brings up the war in Yemen. Prince Faisal answers that the war will only end through a political settlement but does not think it will end soon.
- Iraqi Foreign Affairs Minister claims Iraq has good relations with all Middle Eastern nations and can act as a bridge in peace talks. He calls for a regional security pact. He gives very careful doublespeak about Turkey and Iran attacking people in Iraq that are considered enemies by those countries.
- ISIS has been defeated militarily, but the ideological threat is still there. We must fight on an ideological battlefield to ensure ISIS stays down. - Iraqi Foreign Affairs Minister
- Jordanian Minister of Finance states that to really fix the Middle East, the economy of the Middle East must be fixed.

PANEL: Thinking the Unthinkable: The risk of nuclear confrontation



Speakers:

- Karin von Hippel, Director General Royal United Security Institute for Defense and Security Studies (UK), discussion leader
- Jiří Šedivý, Chief Executive of the European Defense Agency
- Gabrielius Landsbergis, Minister of Foreign Affairs - Lithuania
- Vali R. Nasr, Professor of International Relations at Johns Hopkins
- Jane Harman, Chairman of the Board of Freedom House
- The audience overwhelmingly did not think Russia would use nuclear weapons in Ukraine in the next five years. This assumes that Russia will be at war in Ukraine for the next five years.
- Broadly, these people pushed western narratives. They speak as if Russia could lose at any moment and praise the success of American deterrence.
- When Vali Nasr, an Iranian-born professor of International Relations at Johns Hopkins, was asked how about the Iran Deal, he stressed negotiations with Iran to diffuse the situation. Without bringing Iran to the table to cease and desist, he posited that Iran is likely to take actions that force Israel or America to intervene. Nasr insisted that the intervention must completely destroy any Iranian nuclear programs or risk retaliation. He also brought up

that U.N. sanctions on Iran expire in October and that Iran has stated they will leave the Nuclear Non-Proliferation Treaty if sanctions are reapplied. Nasr classified this action as a trigger for Israel to act.

- Jiří Šedivý, Chief Executive of the European Defense Agency, said that Europe is rapidly rearming and has a 10-15 year road-map. The end goal will be for European Union member states to act autonomously but in support of NATO missions. The official said that investments will have to be in new technology, including unmanned systems, AI, and unspecified “new materials.”
- Jiří briefly mentioned that he expects more failed states in Sub-Saharan Africa which will increase migration to Europe.
- Karin von Hippel says there are six big concerns for the world.
 - The Russian invasion of Ukraine
 - Iran Nuclear Deal
 - Kim Jong Un ordered an exponential increase in North Korea’s nuclear weapon inventory.
 - China is aiming for the third most powerful nuclear armament and is not part of the Nuclear Non-Proliferation Treaty (NNPT).
 - New threats and capabilities.
 - Hypersonics not included in NNPT.
 - #6 not defined

Slido poll of the audience: Will Russia use a nuclear weapon in its war on Ukraine in the next *five years*?

- 68% no, 32% yes

To ForMin Lithuania, How can Putin be deterred from using a nuclear weapon?

- Calls out the poll for assuming the war will take at least five years.
- Says Russia spun the “2nd most powerful military” narrative and that it is false.
- “Do not give into fear and blackmail but do not be unprepared.”

- The Cold War was won with patience, deterrence, and “out arming yourself.” Recreate this.
- We need to help Ukraine win.
- Arm the countries from Estonia to Bulgaria
- Build international coalitions

To the Chief Executive of the European Defense Agency (CE of EDA), “How do advances in technology (space, cyber, AI, advanced conventional, hypersonics, etc.) affect deterrence?”

- “Deterrence works!”
- American integrated deterrence is working.
- New technologies are a force multiplier for deterrence.
- The rapid development of hypersonic weapons challenges strategic stability.
- Use scientists and academics about how to regulate and control hypersonic missile threat

To Harman, how do we get China involved in non-proliferation talks?

- No peaceful world without China involved in NNPT
- Bashing China in the US congress is counterproductive
- Optimism: Biden met with Xi, and Yellen will meet with her Chinese counterpart to discuss cooperation.
 - Believes China wants to ratchet down its rhetoric, citing population decrease.
 - Reaching China curbs Russia.

To Vali Nasr, is the Iran Deal dead? Can we put pressure on them to stop killing women and children?

- Protests have complicated the Iran Deal because politicians are calling for increased sanctions while the deal demands lessened sanctions.
- Iran will not negotiate as long as they believe the protests are western-backed

- Westerners need to get creative to bring Iran to the table to avoid multiple crises between Iran and Ukraine.
- If there is no ceasefire, there will be a conflict with Iran in the next few months. Israel and Saudi Arabia are uncomfortable with Iran's situation. Israel or the US will have to act and must completely wipe out the nuclear program.
 - October 2023, UN sanctions end.
 - Iran will leave the NNPT if sanctions are put back in place. He says directly, "*THIS IS A TRIGGER FOR ISRAEL TO ACT.*"

To FM of Lith., what would be the appropriate response from NATO if Russia touches off a nuke? What do governments say to the public? How do we talk about it?

- We need our narratives. Claims the west isn't good at narratives.
- Certainty of an answer but retain ambiguity of what the answer is

To CE of EDA, what should be the priorities in Europe's investments in advanced strategic capabilities pertaining to nuclear conflict?

- Europe has been too relaxed in its military capacity
- Europe has rapid remilitarization
 - Within 2-3 years, the total contribution is expected to be 300B Euro.
 - He has a 10-15 year roadmap for EU members.
 - This will support NATO but allow the EU to act autonomously.
- Expects failed states in sub-Saharan Africa that will increase migration
- Says it is possible the US will be involved in the Pacific in the mid-to-late 2020s, so the US is urging Europe to rearm
- While rearming, invest in new technologies, including unmanned, AI, new materials

To Harman, how do we bring Russia back to the denuclearization talks in this situation?

- I think it is impossible. Russia is run by one person.
- In five years, we will have developed a whole new set of mechanisms to limit nuclear proliferation in the world.
- Not possible with Russia at war with Ukraine
- Misinformation and disinformation can cause a nuclear war to be worse.

To Vali Nasr, what is the plan B for the Middle East if Iran gets nukes?

- Iran cannot handle a nuclear confrontation for years even if they nuclearize now.
- Specifically says Israel is likely to act due to Netanyahu's PM-ship
- Saudi-Chinese relations may be tempering Iran's behavior
- The key question is US involvement in a regional conflict, but this is left ambiguous

Audience to Panel, does nuclear fallout drifting from Ukraine trigger article 5?

- Harman takes the floor to say she doesn't know but thinks it might.
- CE of EDA depends on context and level of damage caused by fallout. Says Article 5 is conditional?
- FM Lith, Article 5 is dependent on context; regardless, leave it ambiguous.

Jonathan Greenblatt (ADL) to Nasr, what do you think is the prospect of Iran arming a proxy against Israel?

- Among Israeli leaders, Netanyahu has focused most heavily against Iran but is not necessarily single-track-minded.
- Iran is not capable of arming proxies with dirty bombs but is likely arming proxies with advanced conventional weapons (drones)

- Harman at Nasr, don't forget about the proliferation of nuclear material to Iran from other nuclear-armed states.

Slido poll of the audience: Will Russia use a nuclear weapon in its war on Ukraine in the next *five years*?

- 67% no, 33% yes

PANEL: Unpacking the Polar Crisis

This panel discusses how the polar regions are the control center of the planet's climate. Climate change is melting the polar regions rapidly, increasing global warming due to the release of under-ice methane in places like Greenland. A global governing body (UN is not sufficient) is needed to regulate the polar regions, but it must keep indigenous people's concerns in mind. The Saami people do not like being restricted from their traditional grazing lands by new wind turbine projects. There is a significant amount of Marxist language mixed in with the climate change language.

- Prince Albert II of Monaco gave opening remarks that could have been written by any given granola in 1990s Seattle.
- The Arctic and Antarctic are in crisis. These are the control center of the Earth's climate and are important with regard to climate change.
- Claims temperature at the poles is changing rapidly and we've lost 50%-75% of sea ice already.
- Claims sea level could rise by 5 meters if Antarctica melts just a little more.
- Melting land ice in Greenland will release massive amounts of greenhouse gasses (methane and CO2).
- Claims extreme weather, such as last month's cold snap across North America, is due to Polar changes.

- The Saami are opposing green energy development projects (wind turbines) in their area. Wind turbines are restricting reindeer herding in Norway.
- Global “multi-stakeholder” governance called for the implementation of Arctic policies most beneficial for all.
- Multiple calls for climate action but no real specifics on what “action” is.
- Audience commenter states that in order to get more climate action, we should tell kids that Santa’s reindeer are in danger of dying due to climate change.

