4. World Economic Forum - Economy

The World Economic Forum (WEF) is holding its 56th Annual Meeting from 19-23 January 2026 at Davos, Switzerland, bringing together global political, economic, and social leaders.

Foundational Philosophy and Vision of the World Economic Forum

The World Economic Forum was founded in 1971 as an independent, not-for-profit foundation.

Core belief

1. Economic growth must be inclusive, sustainable, and socially responsible.
2. Markets alone cannot solve global challenges without ethical governance and collective action.

The Forum promotes a multi-stakeholder model, where governments, businesses, civil society, academia, and international organisations jointly shape global outcomes.

It emphasizes-

1. Long-term value creation
2. Environmental stewardship
3. Social cohesion alongside economic efficiency

Headquarters and Global Presence

Headquarters- Cologny, near Geneva, Switzerland

Strategic global offices located in

1. New York
2. San Francisco
3. Beijing
4. Tokyo

This geographic spread enables

1. Regional policy engagement
2. Interface with financial centres, technology hubs, and geopolitical power centres

Founder and Intellectual Foundations- Founded by Klaus Schwab, a German economist and academic. Originally established as the European Management Forum.

Key intellectual contributions

1. Stakeholder Capitalism – Corporations must serve not just shareholders, but all stakeholders including society and the environment.
2. Fourth Industrial Revolution (4IR) – Integration of AI, biotechnology, IoT, and cyber-physical systems reshaping economies and governance.
3. Corporate Global Citizenship – Businesses as responsible global actors in addressing climate change, inequality, and digital divides.

Evolution of the Forum's Mandate- Initially focused on business management and corporate leadership in Europe.

Expansion driven by global events

1. Collapse of the Bretton Woods monetary system
2. 1973 Arab–Israeli War and oil shock

Key milestones-

1. 1975- Introduction of a structured corporate membership system
2. 1987- Renamed as the World Economic Forum
3. 2015- Officially recognised as an international organization

The mandate expanded to include

1. Global economic governance
2. Political dialogue
3. Climate action
4. Technology governance
5. Social inclusion

Funding Structure

Primarily funded by- Partnering multinational corporations with annual revenues generally exceeding USD 5 billion

Revenue sources include-

1. Membership fees
2. Strategic partnership contributions
3. Event participation

This model ensures-

1. Financial autonomy from governments
2. Capacity to convene high-level global stakeholders

Governance Architecture of the WEF

Board of Trustees- Acts as the custodian of the Forum's mission, values, and strategic direction.

Composed of eminent leaders from

1. Business
2. Politics
3. Academia
4. Civil society

Members act in a personal capacity, not as national or corporate representatives.

Managing Board- Serves as the executive leadership body. Chaired by the President of the Forum.

Responsible for

1. Strategic execution
2. External representation
3. Institutional coherence

Managing Directors

Oversee-

1. Thematic areas such as climate, technology, health, and education
2. Regional initiatives

Ensure cross-sectoral application of expertise.

Executive Committee- Manages day-to-day operations. Comprises leaders from over 30 nationalities, reflecting global diversity. Coordinates the Forum's centres, initiatives, and partnerships.

Role in Diplomacy and Global Cooperation- Functions as a platform for informal, trust-based diplomacy.

Notable contributions- Facilitated dialogue between Greece and Türkiye (1988) during a period of heightened tensions. Supported South Africa's peaceful democratic transition by enabling engagement between Nelson Mandela and F. W. de Klerk.

Strength- Ability to convene adversarial actors in a non-negotiating, non-binding environment, encouraging candid dialogue.

Contribution to Global Health and Development

Played a catalytic role in the creation of the GAVI Vaccine Alliance.

Focus areas

1. Vaccine equity
2. Public-private partnerships in health
3. Pandemic preparedness

The Forum increasingly engages with

1. Global health security
2. Nutrition
3. Health system resilience

Initiatives for Inclusive and Sustainable Growth

Reskilling Revolution

Objective- Prepare one billion people for the future of work.

Focus-

1. Digital skills
2. Green jobs
3. Lifelong learning

Addresses-

1. Job displacement due to automation
2. Skill mismatches caused by technological disruption

EDISON Alliance

Goal- Achieve digital inclusion for one billion people by 2025

Focus on- Affordable internet access, Digital skills, Access to digital public services

Special emphasis on- Developing and underserved regions

Meetings and Engagement Platforms

Annual Meeting at Davos-

1. Flagship event
2. Brings together global political leaders, CEOs, civil society, and international organisations

Annual Meeting of the New Champions (China)-

1. Focus on emerging markets and innovation-led growth

Other platforms include

1. Sustainable Development Impact Meetings
2. Industry Strategy Meetings
3. Regional and thematic summits

These forums enable

1. Agenda setting
2. Policy convergence
3. Public-private collaboration

Major Reports and Knowledge Outputs

1. Global Gender Gap Report
2. Future of Jobs Report
3. Global Risks Report
4. Global Cybersecurity Outlook

5. Global Cooperation Barometer

These reports-

a. Shape global policy debates
b. Are widely used by governments, think tanks, and international institutions
c. Provide data-driven foresight for emerging risks

Role in the Genesis of the G20

In 1998, the Forum highlighted the need to include major developing economies in global economic governance.

This advocacy contributed to- The formation of the G20, initially as a forum of finance ministers and central bank governors. Its later evolution into a leaders' summit after the 2008 global financial crisis. Demonstrates the Forum's influence in agenda-setting rather than formal decision-making.

Theme for 2026

Theme- *"A Spirit of Dialogue"*

Reflects-

1. Rising geopolitical fragmentation
2. Need for trust-building across ideological and strategic divides

Emphasises-

1. Dialogue over confrontation
2. Cooperation over unilateralism
3. Reform of global governance institutions

Source- https-//www.thehindu.com/business/Economy/wef-2026-five-takeaways-from-davos/article70545259.ece