

# From Davos-We Are In The Midst Of A "Transformational Crisis."

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## Posted by: Bruce Nussbaum on January 28

A "transformational crisis" is the term used in the opening session of the World Economic Forum by founder Klaus Schwab to describe the state of the global economy today. Institutions are not working, unemployment is soaring and we have to first manage the crisis, then manage a new world post-crisis.

Well, if we are in a transformation crisis then we need to have people who know how to transform in power to do so. Transformers (innovators, designers, design thinkers) are not running big sessions, talking on-stage about major policy changes or debating top politicians about how best to create new institutions to deal with our new economic circumstances. Many transformers are here but they relegated to small, minor sessions or lunches that will have little impact.

Most of this year's World Economic Forum's big, public sessions at the Conference Center will have old faces, many belonging to people who got us into this mess in the first place. Do I really want to hear a banker tell me about the financial mess?

Other old faces will be politicians who will be offering up old solutions—more regulation, more government spending, more of the same of prescriptions. Unfortunately, politicians are the ones picking up the mess from the private sector folks who lost it and they are doing it with the tools they know.

Do we have anyone in Washington now trying to use social media networks to deal with the financial crisis? Anyone talking about new business models for Detroit (like ending car dealerships and permitting buyers to design their own cars directly with manufacturers)? Taxpayer money is being spent to rebuild class-rooms—but how? Edifices are less important than networks and interactions in learning today. A new high school in New York City will soon open that uses gaming culture (video gaming, not gambling) to help kids learn. Who in government in Washington and around the world capitals is thinking like this?

It goes on.

Here are some quotes from the opening session at Davos:

"It is important that leaders who come here go back and work on ways of finding far-reaching policies that will allow us to create sustainable economic growth, create jobs and coordinate macroeconomic policies," insisted Kofi Annan, Secretary-General, United Nations (1997-2006), Member of the Foundation Board of the World Economic Forum and Co-Chair, Annual Meeting 2009, on the opening day of the five-day Annual Meeting.

"I believe we are also facing a crisis of governance at a national and international level. The current architecture of managing global affairs is broken and needs to be fixed. We have new players that have to be integrated and the poor have to be given a voice," he said. "The world has changed; are we capable of changing fast enough to save the planet?"

Stephen Green, Group Chairman, HSBC Holdings, United Kingdom, and Co-Chair of the Annual Meeting 2009, agreed that the Annual Meeting gives leaders the space to share ideas needed to address current challenges. "Talking through what we need to do is important and that is why Davos is more than ordinarily important," he said.

In the wake of the global financial fallout, re-examining values is key to moving forward, argued Maria Ramos, Group Chief Executive, Transnet Limited, South Africa and Co-Chair of the Annual Meeting 2009. "It is fundamentally important that the issue of values is on the agenda...and also the institutions that underpin these values and how the rules of the game are enforced is important here," she said.

The world is still in crisis, yet we should treat it "as an opportunity to set goals for how we want to come out of it, such as energy sufficiency, world pollution...and shape policies which will help to solve some of those problems," said Rupert Murdoch, Chairman and Chief Executive Officer, News Corporation, USA, and Co-Chair of the Annual Meeting 2009. "Don't let's lose sight of what creates wealth; it's open markets, capitalism and we've proved this again and again in last century," he cautioned.

"I do not expect we will find from Davos solutions, but expect that we are able to get a joint understanding of the reasons for the crisis, and that we get a good understanding of how we are really able to overcome such a severe crisis in a globalized world," said Werner Wenning, Chairman of the Board of Management, Bayer, Germany, and Co-Chair of the Annual Meeting 2009. "We're talking about growing populations; we have to address issues of how to secure energy supply and of climate change; we're also talking a lot about sustainability and returning to

the basics of sustainable behaviour.”

[http://www.businessweek.com/innovate/NussbaumOnDesign/archives/2009/01/from\\_davos-we\\_a.html](http://www.businessweek.com/innovate/NussbaumOnDesign/archives/2009/01/from_davos-we_a.html)