



World Leaders at the World Economic Forum: Convergence or Divergence of Interests?

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The Annual Summit of the World Economic Forum (WEF) held each year at Davos, Switzerland provides an opportune platform for world leaders to share their views and country positions on pertinent issues having global relevance. However, the last two Annual Summits of the Forum assumed greater significance for certain reasons. First, the Summits were held amidst apprehensions generated by the growing trends towards protectionism and populism, effected by the Brexit vote and US President Donald Trump's 'America First Policy'.

Second, in the last two Annual Summits, the leaders of the emerging economies, India and China, delivered their first-ever inaugural address at the forum in 2017 and 2018 respectively.ⁱ Therefore, it was very natural for the international community to look up to the two emerging economies, particularly in restoring faith in globalisation and open trade, and exercising a greater role in shaping a common future. As Klaus Schwab said, "*Amid this metamorphosis, India presents an image of optimism and promise.... There is no doubt that India is in transition and will soon become a force to be reckoned with....have a great role and influence in shaping our common future by enriching the global policy debate as well as assisting in designing and developing better policies for a prosperous world.*"ⁱⁱⁱ

In this light, the paper attempts to undertake a comparative assessment of the positions of the three major economies – the United States (US), China and India. In doing so, a speech analysis of the leaders – the US President Donald Trump, Chinese President Xi Jinping and Indian Prime Minister Narendra Modi – is undertaken.

Speech Analysis: Who said what at Davos?

Table 1 shows a comparative perspective of the speeches of the three leaders - the US President Donald Trump, Chinese President Xi Jinping and Indian Prime Minister Narendra Modi. The major issues underpinned in the speeches of the three leaders are:

1. **Globalisation:** Both India and China strongly articulated a defence of globalisation. Chinese President Xi Jinping remarked that the problems confronting the world are not the direct consequence of economic globalisation but excessive chase of profit by financial capital and failure of financial regulations. Similarly, Indian Prime Minister, Narendra Modi, maintained that the solution to the forces of protectionism, adopted by many societies and countries, is to formulate 'smart and flexible policies' instead of isolationism. Expressing their willingness to continuously engage with the world, both Prime Minister Modi and President Xi showcased the growing economic resilience and global economic reach of their respective countries.

However, what is interesting is the stated position of US President Donald Trump on trade openness, emphasising the principle of fairness and reciprocity, while at the same time, referring to his 'America First Policy'. Despite his hardline position on many occasionsⁱⁱⁱ, the US President, Donald Trump, recognised the importance of free and open trade at the forum. However, he stressed the unfair economic practices, including intellectual property theft, industrial subsidies and pervasive state-led economic planning, without referring to any specific country. Nonetheless, while defending the interests of America, President Trump said that "America first does not mean America alone. When the United States grows, so does the world." In this sense, President Trump seems to reassure the international community that America First Policy would result in overall world growth.

2. **Global Governance:** Greater convergence of views is visible on the issue of global governance among the three leaders. Both Prime Minister Modi and President Xi stressed the need for reforming the global governance system to reflect the realities of contemporary times. Both emphasised the growing contribution of emerging and developing countries to the world economy to make the global institutions more inclusive and representative. In this regard, President Xi acknowledged the 2010 quota reform in the International Monetary Fund (IMF) to provide greater voice and influence of the developing countries.

President Trump also spoke of the work in progress to reform global governance, particularly the international trading system. However, he did not elaborate on the nature of the reform. It is worth mentioning that President Trump has shown skepticism over the multilateral trading system, World Trade Organisation (WTO) since his election campaign.^{iv} Moreso, he expressed his preference for negotiating mutually beneficial, bilateral trade agreements with all countries, including the TPP.

However, there is one major difference that appears in the speeches of the three leaders. While Prime Minister Modi spoke about the asymmetry existing in the overall global governance architecture, which includes ‘the major political, economic and security related institutions’; President Xi and President Trump spoke only of global economic and financial governance. Noteworthy, both the US and China have been reluctant in expanding the permanent membership of the UN Security Council (UNSC).^v

3. **Climate Change:** Recognising Climate Change as one of the major threats, both Prime Minister Modi and President Xi reiterated their commitment to work towards tackling the adverse implications of climate change. While President Xi extended support to the Paris Agreement stating that the accord is ‘a hard-won achievement’ and urged all signatories to work towards its full implementation, Prime Minister Modi dwelt on the policies that India has initiated to meet the challenges of climate change, including the International Solar Alliance (ISA).

President Trump, however, did not mention the issue of climate change during his speech, which is indicative of his stated position of non-compliance. Noteworthy, President Trump withdrew from the Paris Climate Agreement in June 2017 ‘to protect America and its citizens.’^{vi}

4. **Terrorism:** During the plenary address at Davos, Prime Minister Modi recognised terrorism as the second major threat posed to mankind after climate change. He maintained that the distinction made between ‘bad’ and ‘good’ terrorism is a dangerous trend. Further, the radicalisation of educated youth to engage in terrorists’ activities is also a serious concern for the world. Therefore, he urged the forum to discuss the ‘fractures’ caused by terrorism and terrorist-related violence and deliberate on its solution. On the same line, President Trump condemned terrorism highlighting the efforts at rooting it out from countries including Iraq, Syria and Afghanistan. In this regard, he said that his country is working with allies and partners to destroy jihadist organisations such as ISIS as well as leading a coalition to deny terrorists control of territory and populations, to cut their funding, and to discredit their ideology.

However, Chinese President made only passing remarks on terrorism recognising it as one of the many global challenges resulting in the uncertainties in the world.

5. **Technology:** Delivering their key note addresses, both Prime Minister Modi and President Xi highlighted the relevance of technology in contemporary times. Both underlined the growing influence and adverse impact of technology in the global economy, as well as the need to adapt to such changes for greater benefit of the people. Nonetheless, while Prime Minister Modi made general references to technology highlighting the potential contribution of technology in alleviation of poverty and unemployment; President Xi remarked that ‘new sources of growth are yet

to emerge. A new path for the global economy remains elusive'. **There were no specific references to technology in President Trump's speech.**

6. **National Interests:** The Forum provided an opportunity for the three leaders to advance their national interests, emphasising the efforts undertaken by their administration to reform their economies. The leaders of the three countries have accorded priority to their national interests by presenting the enormous potential and strong prospects of their respective economies for foreign investments. However, while Chinese President Xi largely dwelt on the contribution of China's development to the overall growth of the world economy, both Prime Minister Modi and President Trump mostly projected the potential of their respective countries for future investments.
7. **World Vision:** There seems to be convergence of views in terms of cooperation and collaboration to face the shared challenges and building a better future. In this direction, China has already expressed interest in enhancing cooperation with India to strengthen the process of globalisation. Appreciating Prime Minister Modi's stand on globalisation, Chinese Foreign Ministry spokesperson, Hua Chunying remarked, "*China and India share a lot of common interests. China would like to enhance coordination and cooperation with all countries including India to steer the economic globalisation towards benefiting world economic growth and well-being of all countries*".^{vii}

Table 1: Speech Analysis of World Leaders' at the World Economic Forum (WEF)

Issues/ Countries	@United States	^China	#India
Globalisation	<p>“... we cannot have free and open trade if some countries exploit the system at the expense of others.”</p> <p>Support free trade without unfair economic practices, including intellectual property theft, industrial subsidies and pervasive state-led economic planning.</p> <p>“Only by insisting on fair and reciprocal trade can we create a system that works not just for the US but for all nations.”</p>	<p>“...many of the problems troubling the world is not caused by economic globalisation....It is not an inevitable outcome of economic globalisation; rather, it is the consequence of excessive chase of profit by financial capital and grave failure of financial regulations. Just blaming economic globalisation for the world’s problems is inconsistent with reality, and it will not solve the problems.”</p> <p>“It is true that economic globalisation has created new problems, but this is no justification to write economic globalisation off completely. Rather, we should adapt to and guide economic globalisation, cushion its negative impact, and deliver its benefits to all countries and all nations.”</p> <p>“... the global economy is the big ocean</p>	<p>Globalisation is shrinking with many societies and countries becoming more and more self-centered.</p> <p>Forces of protectionism is visible in the new types of tariffs and non-tariffs barriers, stalemate in bilateral and multilateral trade agreements, and decline in cross-border financial investments in most countries as well as the stalled growth of global supply chains.</p> <p>The solution to such protectionism is to formulate ‘smart and flexible policies’ instead of isolationism.</p>

that you cannot escape from. Any attempt to cut off the flow of capital, technologies, products, industries and people between economies, and channel the waters in the ocean back into isolated lakes and creeks are simply not possible.”

“...we must remain committed to developing global free trade and investment, promote trade and investment liberalisation and facilitation through opening-up and say no to protectionism. Pursuing protectionism is like locking oneself in a dark room... No one will emerge as a winner in a trade war.”

“China has not only benefitted from economic globalisation but also has contributed to it”.

“China has no intention to boost its trade competitiveness by devaluing the RMB, still less will launch a currency war.”

Global Governance

“... we are also working to reform the international trading system so that it promotes broadly shared prosperity and rewards to those who play by the rules.”

“...the United States is prepared to negotiate mutually beneficial, bilateral trade agreements with all countries. This will include the countries in TPP, which are important.”

Inadequate global economic governance makes it difficult to adapt to new developments in the global economy. Emerging markets and developing countries already contribute 80 per cent of the growth of the global economy. The global landscape has not embraced those new changes and therefore is inadequate in terms of representation and inclusiveness.

“...we should develop a model of fair and equitable governance in keeping with the trend of the times.... There is growing call from the international community for reforming the global economic governance...Only when it adapts to new dynamics in the international economic architecture can the global governance system sustain global growth.”

Asymmetry which exists in the old systems of global governance, including the United Nations (UN) and World Trade Organisation (WTO), wherein the needs and aspirations of the developing countries needs to be reflected.

Adherence to the international rule-based system, and to follow international rules and regulations in their right spirit and form.

Improving the major political, economic and security related institutions by making them more representative and democratic in accordance with the changing realities of the world

“Countries big or small, strong or weak, rich or poor, are equal members of the international community. As such, they are entitled to participate in decision-making, enjoy rights and fulfill obligations on an equal basis. Emerging markets and developing countries deserve greater representation and voice.”

“The 2010 IMF quota reform has entered into force, and its momentum should be sustained. We should adhere to multilateralism to uphold the authority and efficacy of multilateral institutions. We should honor promises and abide by rules.”

Climate Change

N.R.

“The Paris Agreement is a hard-won achievement which is in keeping with the underlying trend in global development. All signatories should stick to it instead of walking away from it as this is a responsibility we must

Recognised Climate change as the first major threat.

“Glaciers are shrinking, the ice at Arctic is melting and many islands have either submerged or are on the

assume for future generations”

verge submersion. Extreme heat and cold, excessive rains and floods or extreme drought – the impact of extreme weather is growing day by day. Under these circumstances, we should be united by coming out of our narrow interests.”

“To save the environment and to counter the effects of climate change, my government has set a very big goal before the nation. By 2022 we have to produce 175 GW of renewable energy in India and in the last three years, we have achieved 60 GW, which is more than one-third of the target.”

International Solar Alliance (ISA) to harness renewable energy resources across countries

Terrorism

“...we will do whatever is necessary to protect our nations. We will defend our citizens and our borders. “...global challenges like terrorism and refugees, as well, as poverty, unemployment and widening income

Recognised terrorism as the second major threat.

We are also securing our immigration system, as a matter of both national and economic security”. gap have all added to the uncertainties of the world.”

Distinction made between ‘bad’ and ‘good’ terrorism is a dangerous trend.

“We are working with allies and partners to destroy jihadist organizations such as ISIS”, and “leading a very broad coalition to deny terrorists control of territory and populations, to cut their funding, and to discredit their wicked ideology”.

Radicalisation of educated youth to engage in terrorists’.

“... the coalition to defeat ISIS has retaken almost 100 percent of the territory once held by these killers in Iraq and Syria.”

Urged the forum to discuss the ‘fractures’ caused by terrorism and terrorist-related violence and deliberate on its solution.

“We are committed to ensuring that Afghanistan never again becomes a safe haven for terrorists who want to commit mass murder to our civilian populations.”

<p>Technology</p>	<p>N.R.</p>	<p>“Despite the emergence of new technologies such as artificial intelligence and 3-D printing, new sources of growth are yet to emerge. A new path for the global economy remains elusive.”</p> <p>“We should address the negative impact of IT application and automation on jobs. When cultivating new industries and new forms models of business models, we should create new jobs and restore confidence and hope to our peoples.”</p>	<p>Accelerate economic progress of the world. In this direction, technology and digital transformation could facilitate in dealing with problems of poverty and unemployment</p>
<p>National Interest</p>	<p>“As President of the United States, I will always put America First, just like the leaders of the other countries should put their own country first also.”</p> <p>“America is the place to do business. So come to America, where you can innovate, create and build.”</p>	<p>“China’s outstanding development achievements and vastly improved living standards of the Chinese people are a blessing to both China and the world.”</p> <p>“We cannot expect others to deliver development to China, and no one is in position to do so.”</p>	<p>“Democratic values along with inclusive economic development and progress have the power to bridge all the gaps.”</p> <p>“We have chosen the path of reform, perform and transform. Today the way we are making investment in Indian economy easier is unprecedented....Almost all sectors of</p>

“The world is witnessing the resurgence of a strong and prosperous America...There has never been better time to hire, build, to invest and to grow in the United States. America is open for business and we are competitive once again.”

“America first does not mean America alone. When the United States grows, so does the world.”

“When assessing China’s development, one should not only see what benefits the Chinese people have gained...but also what contribution China has made to the world”.

“China’s development is an opportunity for the world... Rapid growth in China has been a sustained, powerful engine for global economic stability and expansion.”

“China’s economy has entered what we call a new normal, in which major changes are taking place in terms of growth rate, development model, economic structure and drivers of growth.”

“China’s economy is expected to grow by 6.7 per cent in 2016, still one of the highest in the world.”

the economy have now been open for foreign direct investment. It is possible to have investments through automatic channel in more than 90 percent cases.”

“I invite you all that if you want to have wealth with wellness, then work in India. If you want the wholeness of life with the health, then come to India. If you want peace with prosperity then stay in India. If you come to India, you will always be welcome in India.”

The Belt and Road Initiative originated in China, but has delivered benefits well beyond its borders

China will strive to enhance performance of economic growth by pursuing supply-side reform, cutting overcapacity, reduce inventory, deleverage financing, reduce cost and strengthen weak links.

It will further boost market vitality to add new impetus to growth with an innovation-driven strategy development.

China will foster an enabling and orderly environment for investment by expanding market access for foreign investors, building high standard pilot free trade zones, strengthen protection of property rights and, level the field to make China's market more transparent and better regulated.

China will vigorously foster an external environment of opening-up for common development by advancing the building of Free Trade Area of the Asia-Pacific and negotiations of the Regional Comprehensive Economic Partnership (RCEP) to form a global network of free trade agreements.

World Vision	To affirm America's friendship and partnership in building a better world.	"As long as we keep to the goal of building a community of shared future for mankind and work hand in hand to fulfill our responsibilities and overcome difficulties, we will be able to create a better world and deliver better lives for our people."	Cooperation instead of competition among the major countries to face the shared challenges, and overcoming the differences to work together with a larger vision.
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Source: @ - White House, "Remarks by President Trump to the World Economic Forum", January 26, 2018, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-world-economic-forum/> ; ^ - WEF, "President Xi's speech to Davos in full", January 17, 2017, <https://www.weforum.org/agenda/2017/01/full-text-of-xi-jinping-keynote-at-the-world-economic-forum> ; # - MEA, "Prime Minister's Statement on the subject "Creating a Shared Future in a Fractured World" in the World Economic Forum (January 23, 2018)", http://mea.gov.in/Speeches-Statements.htm?dtl/29378/Prime_Ministers_Keynote_Speech_at_Plenary_Session_of_World_Economic_Forum_Davos_January_23_2018

N.R. - Non-reference

Conclusion

A comparative assessment of the speeches of the three leaders of the US, China and India at the WEF suggests that they astutely presented the case of their respective economies, while drawing the attention of all who gathered in the forum to various challenges that the world faces in contemporary times and the need for cooperation.

The speech analysis indicates that there is greater convergence between India and China vis-à-vis the US on the issue of globalisation. Both Prime Minister Modi and President Xi promoted the forces of globalisation highlighting the significant contribution of the process to global growth. As President Xi rightly remarked, “China has not only benefited from economic globalisation but also contributed to it”. President Trump spoke of globalisation wherein he expressed his support for free and fair trade but warned against unfair economic practices, including intellectual property rights, industrial subsidies and pervasive state-led economic planning.

There are visible convergences and divergences between India and China on issues such as climate change, global governance and technology respectively. For instance, on global governance, President Xi referred to the reforms of economic and financial institutions and did not mention security related institutions. However, Prime Minister Modi spoke of reforming the global governance which includes political, economic and security related institutions.

On terrorism, there appears greater convergence of interests between India and the US. In this regards, Prime Minister Modi and President Trump spoke strongly against terrorism at the forum. Chinese President did not dwell in detail on terrorism, except making passing references.

The convergence of interests among the leaders, particularly between India and China, on a shared world vision based on cooperation may be seen as promising. Meanwhile, what remains to be seen is whether such convergence would translate into enhanced cooperation to strengthen the process of globalisation in the future.

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Disclaimer: Views expressed are of the author and do not reflect the views of the Council.

Endnotes

ⁱ President Xi Jinping became the first Chinese head of state to attend and deliver the plenary address the World Economic Forum in Davos in 2017. Prime Minister Narendra Modi is the first ever Indian Prime Minister to address the opening plenary since 1997.

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- ii Klaus Schwab, “India’s opportunity in a multiconceptual world”, World Economic Forum (WEF), January 9, 2018, <https://www.weforum.org/agenda/2018/01/india-opportunity-in-a-multiconceptual-world/> (accessed on March 9, 2018)
- iii Trump’s administration has withdrawn from the Trans-Pacific Partnership (TPP) Agreement in January 2017 and the Paris Climate Pact in June, 2017. Further, Trump administration is re-negotiating the North-America Free Trade Agreement (NAFTA)
- iv Andrew walker, “Is Trump the WTO's biggest threat?”, *BBC News*, December 8, 2017, <http://www.bbc.com/news/business-42200390> (accessed on March 9, 2018); “Gina Chon, “Trump’s Criticism of W.T.O. Hurts America First”, *The New York Times*, December 11, 2017, <https://www.nytimes.com/2017/12/11/business/dealbook/wto-trump.html> (accessed on March 9, 2018)
- v Venkat Ananth, “India’s bid for permanent membership to the UNSC, explained”, *Livemint*, October 6, 2015, <https://www.livemint.com/Politics/LIucgG8cW1esJXd6RxvYCI/Indias-bid-for-permanent-membership-to-the-UNSC-explained.html> (accessed on March 9, 2018)
- vi White House, “Statement by President Trump on the Paris Climate Accord”, June 1, 2017, <https://www.whitehouse.gov/briefings-statements/statement-president-trump-paris-climate-accord/> (accessed on March 9, 2018)
- vii " China praises Modi’s speech at Davos opposing protectionism”, *The Hindu*, January 24, 2018, <http://www.thehindu.com/news/international/china-praises-modis-speech-at-davos-opposing-protectionism/article22508896.ece> (accessed on March 9, 2018)