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Davos debrief: India, Bono and bird flu

By Kenneth Rogoff

I am still recovering from this year's Davos event, where the mood was decidedly upbeat. 2005 was a very, very good year for most of the participants. And what better way than the World Economic Forum to get a jump start on deals for 2006?

The organisers took great care to make sure the event would not be hijacked by celebrities pitching soft-hearted, but soft-headed, ways to save the world. It worked, and — by broad consensus — the sessions and conversations were more focused and substantial. And this time, Bono came with an exceptionally clever idea: the American Express Red card (1 per cent of purchases goes to support the Global Fund (to fight aids, tuberculosis and malaria). Someone showed me a sample card and it even looks cool, though as a Harvard professor I would describe it as crimson rather than red. No doubt, we will see a sea of "red" at next year's Davos, and it will be considered uncouth to reach for the bill without one.

A major theme of the event was "India everywhere", and indeed, the theme helped India share more of the spotlight with China. (However, if India was everywhere, why wasn't the Indian prime minister anywhere? In an event that really knows how to elevate heads of state, Manmohan Singh missed a great opportunity).

The sessions covered a lot of topics outside of the ordinary. A session on marriage and sex was so oversubscribed that the organisers took the unusual step of running it several times. Perhaps more people are trying to figure out how to stay with their current wives than meet their fourth ones.

A session on water scarcity was also quite an eye-opener. Forget about "peak oil" — the claim that oil production has peaked and we are already starting to run out. It is time to start worrying about "peak water".

And if that weren't sobering enough, experts on pandemics predicted that, with near certainty, a particularly virulent avian-flu-like global pandemic will wipe out a quarter of us within a few months sometime over the next few decades. Experts' advice: keep a supply of facemasks, even cheap ones. The facemask itself does little to protect you. But it does remind you not to touch your face without washing your hands during a pandemic, which is the best way to protect yourself. Also, by the way, for those of us that live in big cities at risk of dirty bombs and the like, you should stockpile at least seven gallons of water person in your household.

No one at Davos wanted to hear anything negative about the economy itself, though. A few brave souls noted that just because the United States current account deficit did not crash and burn in 2005 does not mean we can forget about it in 2006. Or that just because the global economy handled high oil prices easily this time does not imply we shouldn't worry about \$120 oil that might come in the event Iran goes offline.

Personally, I think we have seen "peak housing" prices already, but no one seemed too worried about that, either.

However, the real surprise was the all issues not being talked about extensively. Iraq was in the programme, but not in the buzz. Latin America was virtually forgotten, partly because its major leaders did not come, and partly because the regions' 4.3 per cent growth seems unexciting next to Asia's performance. And poverty, which had been the focus the previous year, was certainly not high on the list of issues. (What happened, several participants quipped, did we solve poverty during the intervening year?).

The parties and dinners at Davos were notably lighter and more relaxed. McKinsey, as it so often does, had the best music, I am told people danced away until 3am. Google was the most happening, set in the spectacular Kirchner museum and serving vintage wine and champagne. Even people who were supposed to be hosting their own parties at the same time (like Michael Dell), could not seem to stay away.

Will 2006 be the great year that so many at the World Economic Forum seem to expect? Or the calm before the storm? No matter, it will be probably be remembered by participants as one of the best Davos events in a long time.

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