

SPECIAL REPORT

The World 2024

The battle for global influence, the threat to democracy and the quest for the AI grail. The FT examines how the world will look this year.



Contents

Martin Wolf on globalisation; Gillian Tett on the J M Keynes view. Xi and Putin defy 'rules-based' order. AI's deep mysteries. 2024 'year of elections'. Latin America's chance. Africa's prospects. Davos nostalgia.

<u>World economy — the story remains one of integration</u>	3
Martin Wolf	
<hr/>	
<u>A 'multipolar' world defies the 'rules-based' order</u>	7
Gideon Rachman	
<hr/>	
<u>Take a look back to assess the chances of a global future</u>	9
Gillian Tett	
<hr/>	
<u>Investors chase the grail of unravelling AI's mysteries</u>	11
John Thornhill	
<hr/>	
<u>Latin America has its best chance for a generation</u>	13
Michael Stott	
<hr/>	
<u>African leaders gain in confidence despite setbacks</u>	15
David Pilling	
<hr/>	
<u>In remembrance of Davos times past</u>	17
Jemima Kelly	

World economy — the story remains one of integration

Hyperglobalisation is dead. Globalisation is not

Martin Wolf

What are the prospects for the world's still highly integrated economy? In answering this question, one has to start with the underlying forces at work.

The most fundamental are changes in economic opportunities. These include reductions in costs of transport and communications, shifts in comparative advantage and changing opportunities for exploiting economies of scale and learning by doing. No less crucial, particularly in the short and medium run, are changes in economic ideas and geopolitical realities. Finally, shocks — wars, crises and pandemics — also shift the perceptions of business, peoples and politicians of the risks, costs and benefits of cross-border integration. The history of cross-border integration, especially trade, illuminates the interplay among these forces.

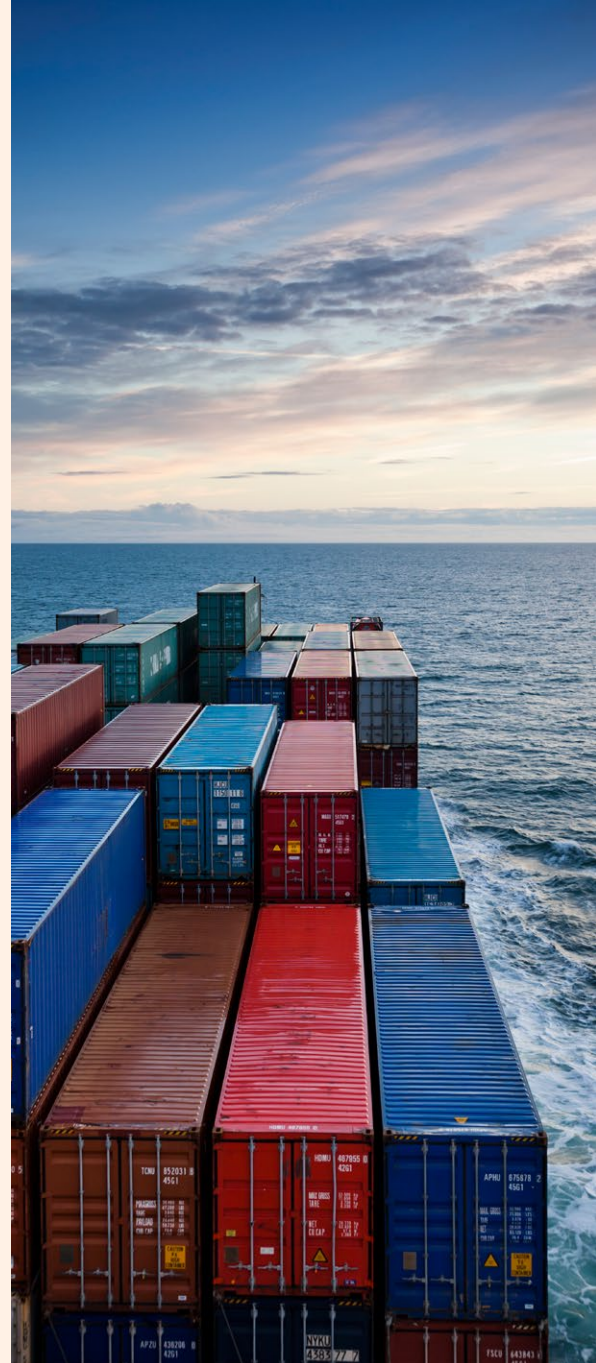
The long-term story is one of growing integration. Between 1840 and 2022, the ratio of world trade in goods to global output rose roughly fourfold. Yet openness to trade has fluctuated dramatically: the ratio of trade in goods to world output tripled between 1840 and 1913, then fell by roughly two-thirds between 1913 and 1945, and tripled again between 1945 and 1990, to surpass pre-1914 levels.

After the collapse of the Soviet Union and empire in the early 1990s, the world economy experienced two eras. The first, up to about 2010, was one of “hyperglobalisation”, a label applied by Arvind Subramanian and Martin Kessler in a [2013 paper for the Peterson Institute of International Economics](#).

The dominant features were rapid growth of international transactions relative to global output, with flows of direct and portfolio capital across borders growing even faster than trade in goods and services. By the financial crisis of 2007-09, the world economy had become more integrated than ever.

Thereafter, the world economy entered an era some label “[slowbalisation](#)”. Subramaniam and Kessler (with Emanuele Properzi) have analysed this in a Peterson Institute piece of November 2023. In this period, trade has grown roughly in line with world output, while ratios of cross-border investment to world output have more than halved.

What caused pre-crisis hyperglobalisation? Why did it end in slowbalisation? What might happen next? The answer to the first question is that, after 1990, all three driving forces came together. First, close to one and a half centuries of divergent economic growth had created huge gaps in productivity between the most advanced economies and those that had fallen behind, notably China. This created enormous opportunities for taking advantage of cheap labour.



“

By the financial crisis of 2007-09, the world economy had become more integrated than ever.

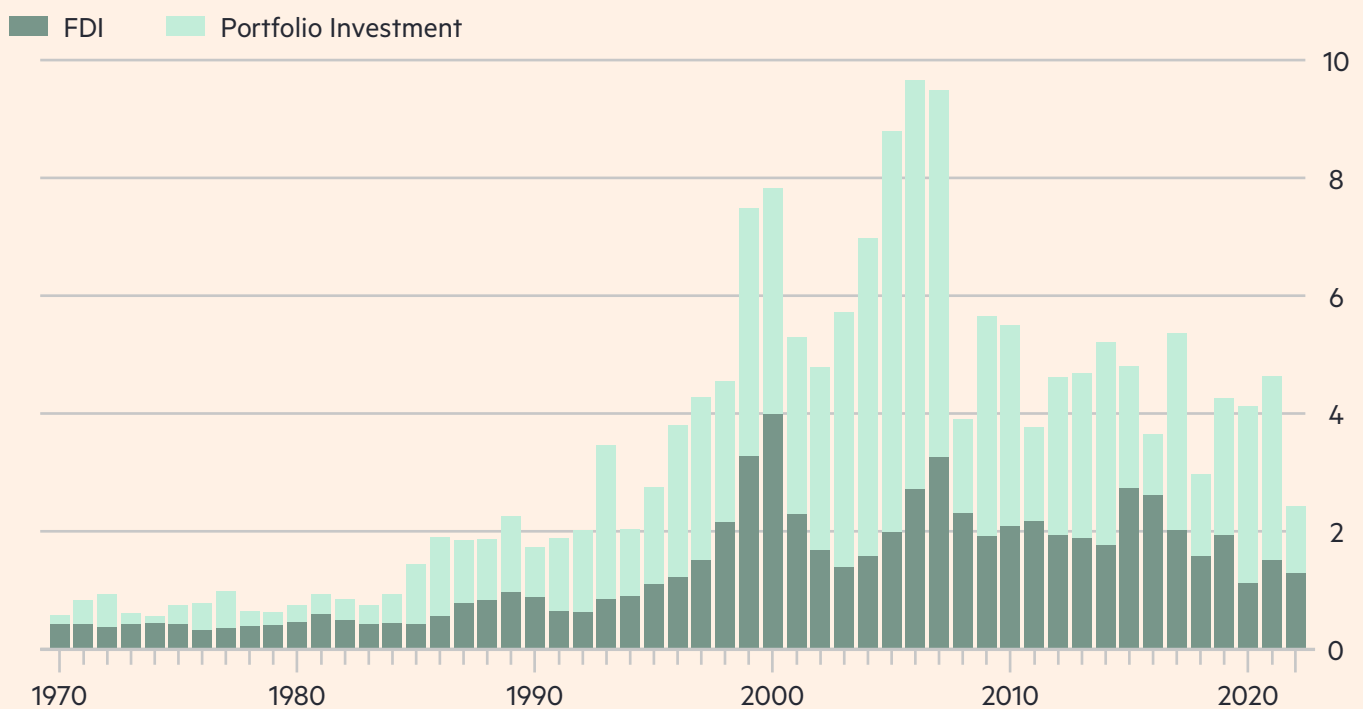
Second, the container ship, jumbo jet and advances in information and communication technology allowed unprecedented cross-border integration of business organisations and unbundling of supply chains. Finally, the worldwide shift towards belief in market liberalisation and cross-border opening transformed policy. Among the transformative moments were the arrival of Margaret Thatcher, Ronald Reagan and Deng Xiaoping to power in the UK, US and China, respectively. In world trade, highlights included completion of the [Uruguay Round](#) of multilateral negotiations in 1993, establishment of the [EU single market](#) in 1993, creation of the [World Trade Organization](#) in 1995 and [China's accession](#) to the WTO in 2001.

What ended this period? All the main drivers weakened or went into reverse. The opportunity for further trade increases through exploitation of differences in labour costs diminished, as those costs converged. As China's economy grew, its dependence on trade naturally declined. Shocks caused by the pandemic and wars also underlined the risks associated with extensive reliance on trade for essential supplies.

At least as important have been ideological changes, among them the rise in protectionism and nationalism, notably in the US, triggered by the economic rise of China and the "[China shock](#)" to industrial employment. Parallel changes have occurred in [Xi Jinping's China](#). There, too, policy has shifted from reliance on the free market and private business towards greater government control.

Financial globalisation peaked just before the 2008 financial crisis

Global gross financial flows (inward flows, as a % of global GDP)

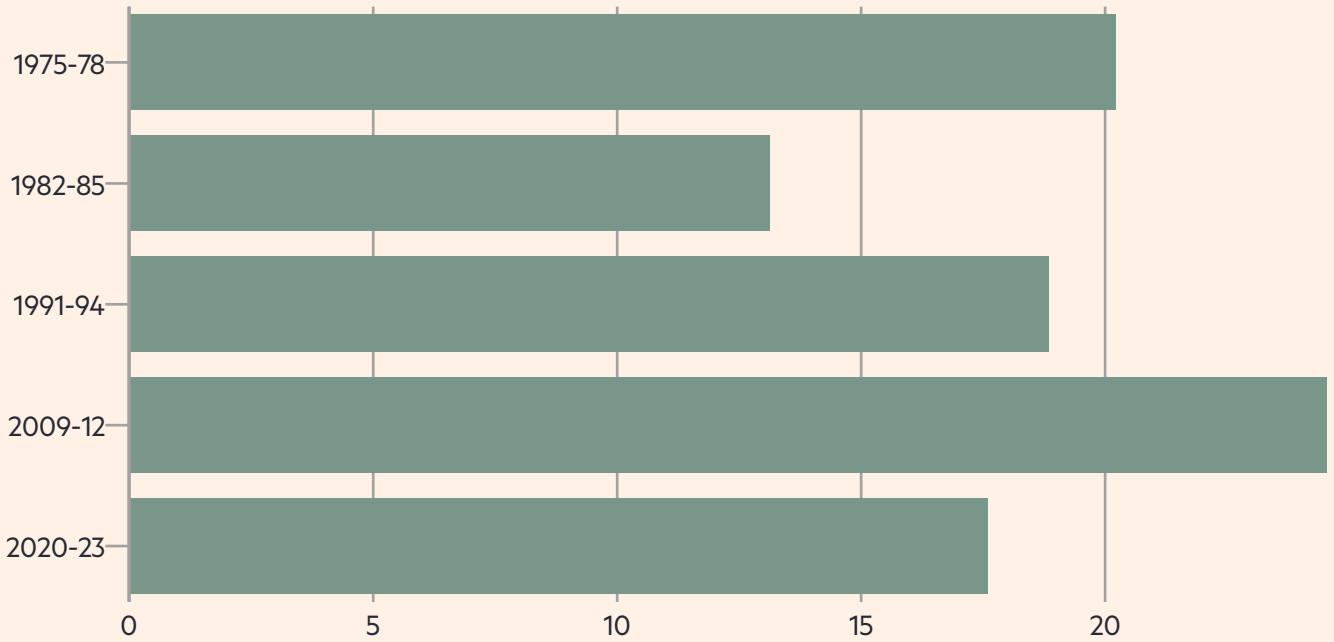


Source: Subramanian, Kessler, & Properzi (Peterson Institute, 2023)

© FT

Global trade has rebounded after the pandemic

Recovery in global trade volume three years after recession* (%)



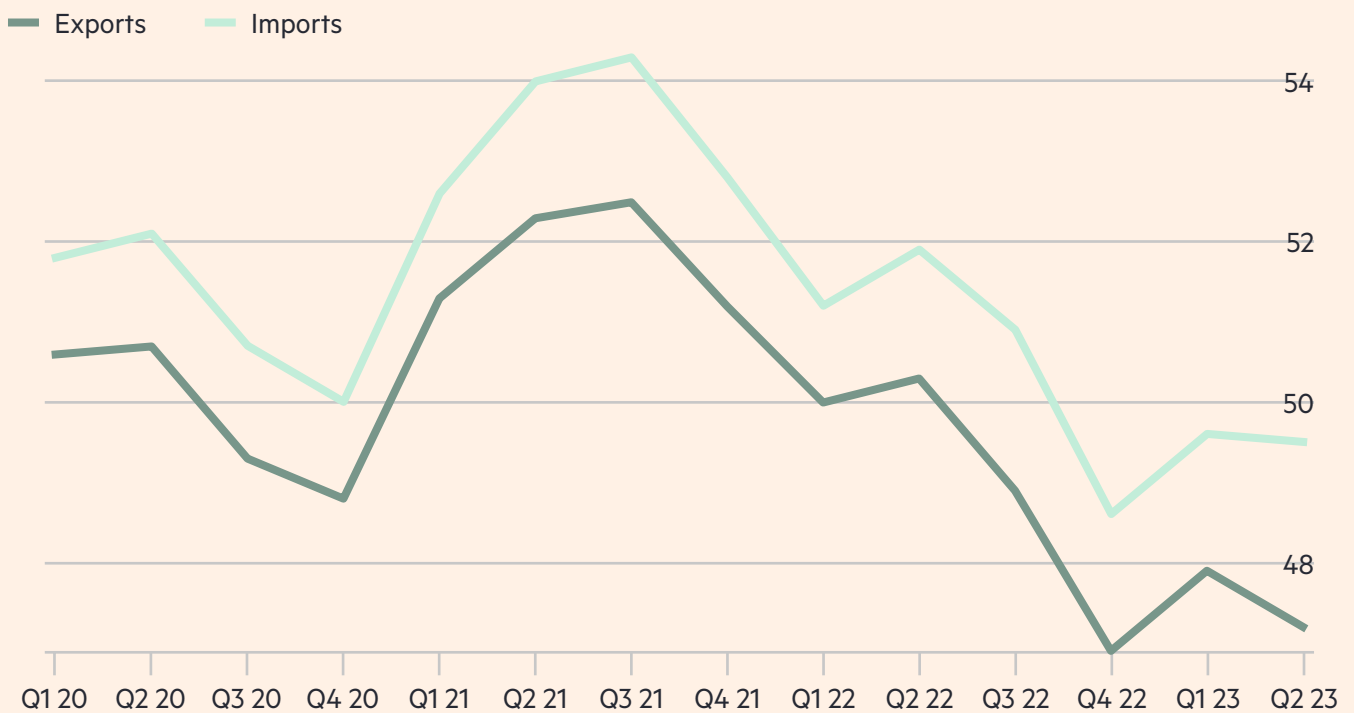
* The start of each period saw an annual decline in global GDP per head

Sources: World Bank, IMF

© FT

Trade in intermediates has fallen slightly relative to world trade

Share of intermediate goods in world merchandise trade (excl. fuels, %)



Sources: WTO, Trade Data Monitor

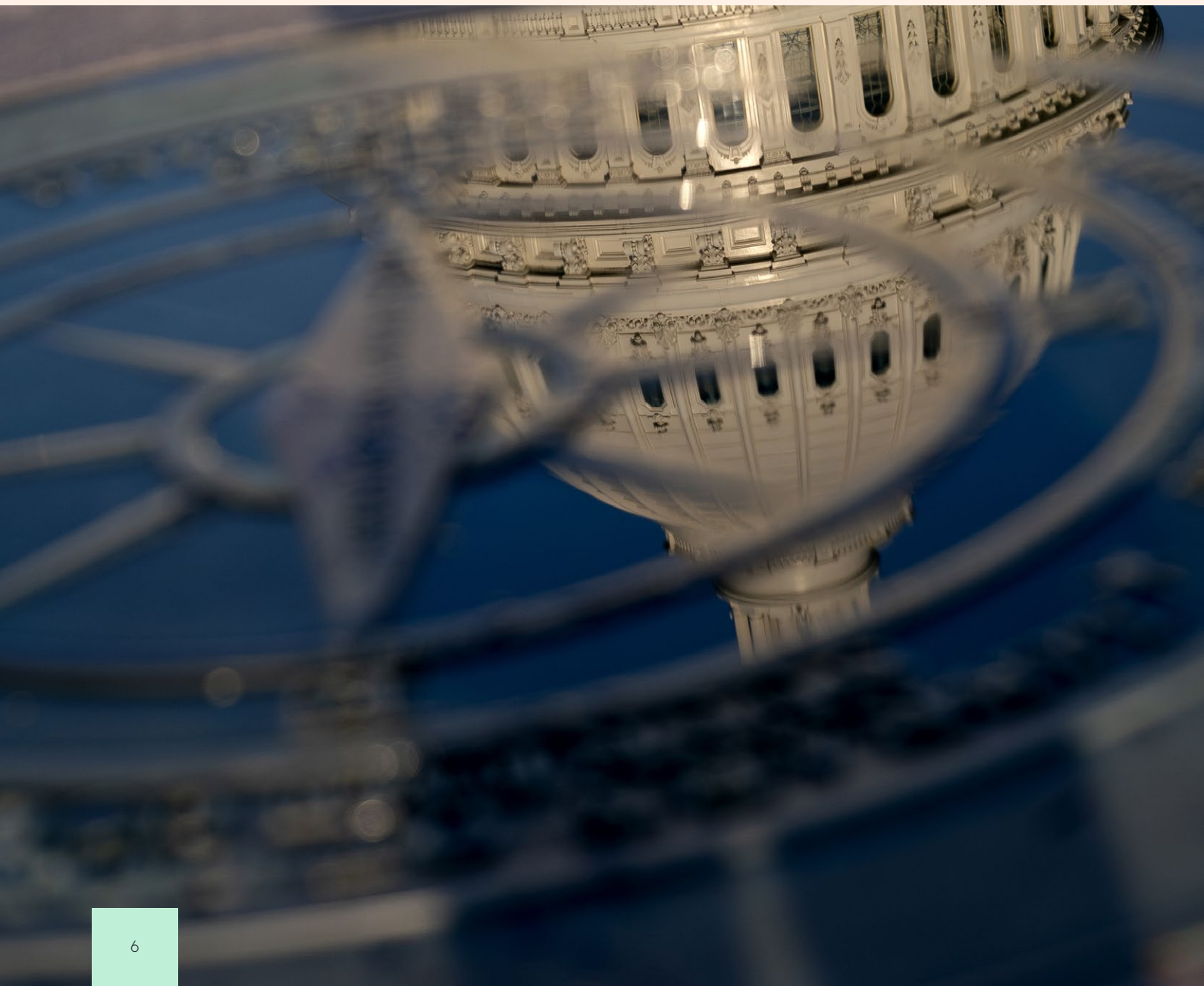
© FT

Perhaps most important, the global financial crisis, pandemic and today's great power tensions have transformed trust into suspicion and risk-taking into "de-risking". No substantial global trade liberalisation has occurred in more than two decades.

What could come next? Continuation of a [messy status quo](#) seems the most plausible answer. The world economy would remain relatively open by historical standards with trade growing more or less in line with world output. Some decoupling of direct links between the US and China would occur. But the attempted shift by the US (and others) towards other suppliers would leave indirect dependence on inputs imported from China. A large number of countries would continue to maintain trade with the US and its close allies, on the one hand, and China, on the other.

The most likely alternative to this would be a more radical breakdown. Attempts to limit US actions against China over national security — Jake Sullivan's "[small yard and high fence](#)" — might end up with a big yard and a high fence; Donald Trump winning the presidency might be the catalyst. Conflicts over the EU's carbon border adjustment mechanism could be another trigger for global protectionism.

The integrated world economy is surviving. But great power nationalist rivalry can cause huge disruption. Will this era prove to be an exception? We must work to ensure it does.



A ‘multipolar’ world defies the ‘rules-based’ order

What do the words mean and why do they matter? It depends on which side you ask

Gideon Rachman

In the battle for global influence, all sides have their jargon. The US and allies talk of the “rules-based international order” (RBIO). Russia and China prefer a “multipolar” world. Subrahmanyam Jaishankar, India’s astute foreign minister, recently split the difference by talking about the need for a “multilateral rules-based international order”.

For the west, the RBIO underpins peace and stability. It demands respect for territorial integrity and international law, and the protection of minorities, small nations, democratic norms and the global trading system.

Russia — often supported by China — argues this is hypocritical. The US, in Moscow’s view, writes the rules, imposes them on others and ignores them when convenient. Other nations that emphasise the RBIO are, from Moscow’s perspective, basically US vassals.

Russia and China believe the decline of US global power is necessary and inevitable — the result being a more just world in which US power is constrained and multiple centres of power operate. According to the Russians and Chinese, this will allow different civilisations to live by their own rules, rather than having to hew to a Washington consensus.

For the US and allies, these arguments are dishonest. The US and the EU believe that, while the idea of multipolarity

can sound appealing, it often boils down to a demand from autocracies, in Moscow and Beijing, to have their own poles of influence. That means imposing their will on democratic neighbours like Ukraine and Taiwan.

In different ways, the wars in [Ukraine](#) and [Gaza](#) — as well as the tensions in the South China Sea and the battle for opinion in the Global South — all involve this rhetorical struggle to shape the world order and the power realities that underpin it.

For the US and the EU, Russia’s invasion of Ukraine broke one of the most fundamental tenets of the RBIO — the prohibition against invading your neighbours and annexing their territory. Russia’s justification, by contrast, leans heavily on the idea that Ukraine was being dragged into the western civilisational space, thus becoming a tool of the US-dominated world order. Attacking a pro-western, pro-Nato government in Kyiv was — Russia claims — not an act of aggression or a breach of global rules, but an effort to protect Russia’s security interests and strike a blow for a multipolar world.

Russia has not had huge success in pressing this argument. It has been hit by western economic sanctions and experienced ostracism beyond anything Moscow encountered in the cold war. Russian teams have, for example, been excluded from sporting events such as the World Cup and the Olympics. President Vladimir Putin has been indicted by the International Criminal Court, making it difficult for him to travel.

“

In different ways, the wars in Ukraine and Gaza all involve this rhetorical struggle to shape the world order and the power realities that underpin it.



Very few countries have voted to defend Russia's actions at the UN. However, important Global South nations, notably India, have abstained on votes condemning Russia.

As well as reflecting such interests as a desire to buy cheap Russian oil and weapons, India's UN votes reflect sympathy with Moscow's argument that the world order is too shaped by western colonialism's legacy. But India is increasingly wary of China, which has killed Indian troops on the countries' disputed border and led New Delhi to increase military co-operation with Washington. Thus, India endorses both multipolarity and the RBIO.

One country steadfast in backing Russia is China. Cushioning the blow of western sanctions, Chinese economic support has essentially kept the Russian economy afloat. On a 2023 trip to Moscow, President Xi Jinping told Putin, in front of the cameras, that Russia and China were together making fundamental changes to the global order. Without spelling it out, Xi had in mind the emergence of a multipolar world order and the breaking of US power. Some US analysts believe that China ultimately has a vision of achieving another unipolar system, with the pole in Beijing.

The Putin and Xi Moscow exchange was much discussed in western capitals, which fear the Ukraine war could be the first major breach in the RBIO. The next could come in east Asia — if China uses its growing military power to invade or blockade Taiwan, or push even harder its claims of sovereignty over most of the South China Sea.

But, while many western strategists see Asia as the fulcrum of competition between rules-based and multipolar visions, war in the Middle East continues to command enormous attention.

The west's support for Israel's attack on Hamas in Gaza has hugely complicated the battle of narratives. For many in the Global South, western support for Israel in Gaza, when combined with condemnation of Russia in Ukraine, proves western RBIO talk is hypocrisy.

The west responds that there is clear distinction between the two cases: Israel was attacked by Hamas and is exercising its right to self-defence; Russia is waging a war of aggression. That does not mean every Israeli action in Gaza is justified. Western leaders have become increasingly open in condemning the devastating level of civilian casualties.

For now, while the Gaza war is an embarrassment for the west, in the battle of narratives not much evidence exists that world opinion will be tipped decisively in either direction. Countries that align with Washington, Moscow or Beijing, usually do so based on hard-headed assessment of their interests.

But those views are strongly linked to underlying values. Democracies are clearly more likely to buy into the US-led RBIO. What happens to the RBIO if Donald Trump is re-elected is a huge question weighing on the global system.



Take a look back to assess the chances of a global future

Maybe it's time to dust off John Maynard Keynes's warning about taking borderless prosperity for granted

Gillian Tett

Just over a century ago, John Maynard Keynes lamented the dangers of being complacent about globalisation. In 1919, in his book *The Economic Consequences of the Peace*, Keynes noted that, before the recently ended first world war, “the inhabitant of London could order by telephone, sipping his morning tea in bed, the various products of the whole earth, in such quantity as he might see fit, and reasonably expect their early delivery upon his doorstep.”

He (economists assumed, then, that [economic actors were male](#)) could “adventure his wealth in the natural resources and new enterprises of any quarter of the world” and “secure forthwith, if he wished it, cheap and comfortable means of transit to any country or climate without passport or other formality”. Moreover, this state of affairs was “normal, certain, and permanent, except in the direction of further improvement”.

Thus “the projects and politics of militarism and imperialism, of racial and cultural rivalries, of monopolies, restrictions, and exclusion were little more than the amusements of his daily newspaper.” In plain English: people had taken globalisation so completely for granted that they rarely gave it much thought — and assumed that the free movement of people, money and objects would continue indefinitely. War had seemed like a relic of the past.

Fast forward a century, and it is tempting to laugh or cry at this state of affairs. After all, during the 1914-18 conflict, such sunny complacency had been shattered by massive economic destruction, the closure of borders, disruptions in trade and a fractured capital market.

Globalisation had gone into reverse. Further, the war was followed by the 1929 economic crash, depression and protectionism in the 1930s and, then, another world war. Although globalisation resumed in the middle of the 20th century, it was not until the century's end that the world returned to the type of globalisation that Keynes observed — ie, a world where it seemed so normal to move goods, capital and ideas around that most observers assumed this would continue indefinitely, and deepen. The only big difference between 2013 and 1913 was that, in the modern era, no one expects to travel “without passport or other formality” across borders. Today, there are inevitably bureaucratic controls.

The chilling question we face is whether we are about to see a replay of Keynes's tale — namely, an era when globalisation suddenly goes into reverse, as geopolitical conflict rears its head again. So far, the answer is “not entirely”. For, while the political rhetoric in many countries has become lamentably populist, protectionist and nationalist, [globalisation is far from dead](#).

“

People had taken globalisation so completely for granted that they rarely gave it much thought.





To appreciate this, look at an annual survey from the DHL shipping group and NYU Stern School of Business. This explores globalisation in terms of four measures: the movement of people; information; money; and trade. The latest reading, conducted in May 2023, shows that the flow of people is lower than a few years ago, primarily because travel has yet to recover from Covid-19.

But exchanges of information continued to rise in 2022 (albeit at a slower pace than before), while cross-border money flows remained moderately strong and those of goods and services actually rose — leaving world trade 10 per cent higher in 2022 than in pre-pandemic 2019. As a result, the overall globalisation metric, as calculated by DHL and NYU Stern, is still rising slightly.

Although US-China trade has declined, there is “no broad fracturing of the world economy into rival blocs” and “most [trade] flows contradict predictions of a shift from globalisation to regionalisation” — not least since supply chains have become more complex.

The report admits this picture might be temporary because “the public policy climate has become less favourable for globalisation.” Steven Altman, a senior research scholar at NYU Stern, warns against inferring “from the recent resilience of international flows that globalisation cannot go into reverse”.

And when, in October in Marrakech, the IMF held its annual general meeting, its World Economic Outlook included a depressing new feature: a section calculating what might happen if the world slides into a new “Cold War” of two rival geopolitical economic blocs that do not trade with each other.

To (gu)estimate that, the IMF used a model based on the political grouping that emerged at the UN during 2022’s Ukraine vote: namely pro-western and anti-western blocs. It calculated that, if a true cold war emerges, it would cut future global GDP by up to 7 per cent due to lower trade, finance and information flows. Other economists put the figure even higher.

The IMF stresses that such a scenario is theoretical and hopes — by showing policymakers, and voters, the folly of letting globalisation wither — to ensure it never occurs. Yet, the fact it published this “abstract” exercise shows how the world has changed: a decade ago, in 2013, the idea globalisation might go into reverse was as alien as it was in 1913.

Perhaps, then, it is time to republish *The Economic Consequences of the Peace* — or transmit its message out on the globalised internet.

Investors chase the grail of unravelling AI's mysteries

Dominance of the fast emerging technology by a few large companies looks likely to develop into a far more competitive era

John Thornhill

Everyone seems to agree that generative artificial intelligence is the shiny new thing in technology and will transform the world. The trouble is that no one can yet explain exactly how.

The US venture capital firm [Sequoia](#) suggests the technology is evolving fast and going through its “awkward teenage years”. But some of the most powerful companies in history, including Google, Microsoft, Meta and Amazon, as well as scores of start-ups, are investing billions into figuring out what generative AI will do when it grows up.

San Francisco-based start-up OpenAI triggered the latest investment frenzy in November 2022 with its launch of the ChatGPT chatbot. Although tech companies had been playing around with generative AI services for years, ChatGPT's arrival ensured the technology broke into the mainstream.

It seemed that every chief executive of every company — as well as every student trying to turn in a last-minute essay — was wowed by ChatGPT's remarkable ability to generate reams of plausible text at lightning speed, promising to unleash creativity and boost productivity. OpenAI said [100mn users](#) had experimented with ChatGPT within the

first two months of its launch — one of the fastest take-ups of any new product in corporate history.

Investment has since poured into the sector with AI companies pioneering not just text but image, audio and video generation services, too. CB Insights, the New York-based data firm, estimated \$17.4bn had been invested into 170 generative AI companies in the first nine months of 2023 — including Microsoft's \$10bn investment into OpenAI.

Several other big tech companies have also sought tie-ups with promising generative AI start-ups: Google and Amazon have both invested in Anthropic, while Microsoft and Nvidia have backed Inflection AI.

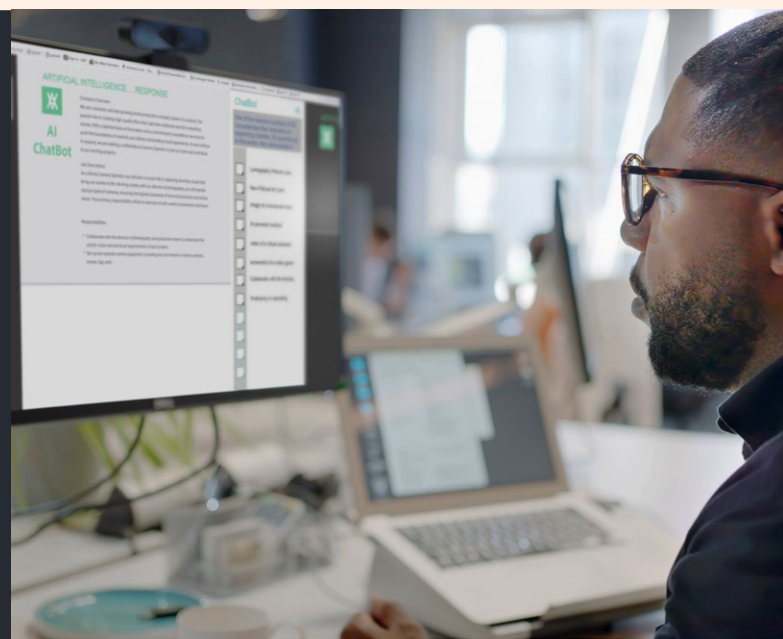
Established companies across many industries, from healthcare to financial services to defence, have been keen to deploy the technology. By the end of the third quarter of 2023, generative AI had been mentioned on 2,081 corporate earnings calls, compared with none over the same period the previous year, according to CB Insights.

Many tech analysts reckon that generative AI represents the next big platform shift in computing, following the mobile and cloud computing revolutions. It will eventually provide the new interface between humans and machines as we all adopt AI-enabled digital agents to manage our lives.

The futuristic world depicted in the 2013 science fiction film *Her*, in which Theodore Twombly increasingly relies upon — and eventually falls in love with — his virtual assistant Samantha, is now hovering into view.

“

Many tech analysts reckon that generative AI represents the next big platform shift in computing, following the mobile and cloud computing revolutions.



The infrastructure layer of generative AI is likely to be dominated by the leading AI companies, such as OpenAI and Google, that can afford to invest capital at massive scale to train, and run, the large language models that power the chatbots. But the application layer is likely to be far more competitive, as many other companies develop smaller, cheaper, more specialised and, often, open-source, models, focusing on a particular domain.

Silvio Savarese, Salesforce chief scientist and Stanford University computer science professor, says these smaller models will become more “agentic”, enabling them to be more proactive: “We believe that smaller models are more effective than large monolithic models, such as ChatGPT. We can focus on much more specific questions and topics.” He adds: “The idea is that these specialist models are far easier to train, have far fewer parameters, and can be deployed on mobile devices.”

Apple, the world’s most valuable company, which had been lagging behind some Silicon Valley rivals in generative AI, is now [developing plans to deploy the technology](#) on mobile devices. Such a transition would open up a new realm of applications as users could access generative AI on the go.

But generative AI’s rapid emergence has aroused governance concerns. November’s boardroom row at OpenAI, wherein chief executive Sam Altman fired and rehired within a week, has unsettled many in the industry.

Can such companies be trusted to develop such a powerful general purpose technology on their own? Generative AI systems raise a host of concerns about job displacement, copyright infringement, and the profusion of disinformation, plus the erosion of privacy and the concentration of corporate power. Regulators around the world have been rushing to catch up with the latest technological breakthroughs.

In November, the US administration signed an executive order instructing almost every federal agency to modify their rules to take account of generative AI. The UK government hosted an international summit at Bletchley Park to discuss the existential risks of AI. And, in December, the EU passed an act banning AI’s use in some “high-risk” areas and regulating it in many others.

Unless the generative AI industry grows up fast, governments are likely to set them even stiffer exams in future.





Latin America has its best chance for a generation

Region's unique advantages offer an extraordinary opportunity — if its governments can step up

Michael Stott

Predictions of a bright new dawn for Latin America tend to elicit polite scepticism, at best. The region has disappointed citizens and investors alike over the past decade.

Its economies have barely grown and living standards have mostly stagnated or declined. South-east Asia has eclipsed it as an investment destination and a manufacturing hub. Former US diplomat Henry Kissinger famously dismissed Chile as “a dagger pointed at the heart of Antarctica” due to its supposed lack of strategic importance.

Yet Latin America today commands fresh attention because of its potential to help meet some of the 21st century's biggest challenges: producing food, generating clean energy, extracting critical minerals, and fighting climate change.

Latin America has two-thirds of world lithium reserves and about 40 per cent of its copper. It accounts for 45 per cent of global agrifood trade, according to the EU, and its abundant stock of farmland and water could allow that to grow much further. It is home to the world's largest surviving rainforest, the Amazon, and its diverse geography includes some of the best locations on the planet to generate solar and wind power.

This combination of strengths gives Latin America its best chance in a generation to lift its economies out of stagnation, make its people wealthier, and assume a bigger global role.

It also enjoys some other, less obvious, advantages in today's troubled world: its states are not at war with each other; it is more democratic than any other developing region; and it is building soft power — latino music, food, art, and films have global audiences. In addition, digital nomads cite Mexico City, Medellín and Buenos Aires as among the world's best cities for remote working.

In a region inured to jibes about being the eternal land of future promise, the key question is whether its governments can rise to the task.

Mexico, the region's main manufacturing hub, stands out as the location of choice for companies wishing to move production away from China and close to the giant US market. In June, it elects a successor to President Andrés Manuel López Obrador, whose nationalistic bent and state-directed investment have crimped growth. Investors hope either López Obrador's chosen successor, former Mexico City mayor [Claudia Sheinbaum](#), or the opposition's [Xóchitl Gálvez](#), prove more investor-friendly and allow Mexico to capitalise on what ought to be a giant nearshoring boom.

In Brazil, leftist president Luiz Inácio Lula da Silva wants to make the region's biggest economy a global leader on the environment and draw a wave of green investment in everything from carbon offsets to sustainable energy. Brazil, he pledged during a visit to the Gulf last year, will become the “Saudi Arabia of renewable energy in 10 years”.

Now in his third term, Lula will play a major foreign policy role, hosting the G20 in November and the COP30 environmental summit a year later. He believes Brazil, as a neutral and peaceful nation, can mediate in global conflicts.

In Argentina, investors have bid up stocks and sovereign bonds to levels unseen in years after the recent election of [President Javier Milei](#). A libertarian economist, he has decreed an end to state economic controls and advocates unbridled capitalism. But it remains to be seen whether the Peronist-dominated congress and Argentina's powerful unions allow him to sweep away a generous welfare state, labour protections, and a web of state companies. If Milei, the self-styled "anarcho-capitalist", achieves even some of his goals, Argentina could harness much more of its enormous potential in agriculture, mining and hydrocarbons.

On the Caribbean coast, an oil boom has made Guyana one of the world's fastest-growing economies and a significant exporter, an example which neighbouring Suriname is eyeing keenly. Guyana offers a reminder that some of the region's smaller economies, such as Panama, Uruguay and the Dominican Republic, have been among its most successful in recent years.

Meanwhile, the exodus of seven million refugees in recent years from the shattered economy of once-wealthy Venezuela provides a vivid reminder of governments' ability to destroy, as well as to build. Venezuela's woes, and those of Cuba, Nicaragua and other failing states in the region, have contributed to the biggest migration crisis seen in the Americas. The millions of people fleeing north towards the US create a major problem for President Joe Biden in the year he seeks re-election.

Can Latin America rise to the opportunities offered by the early 21st century and return to a path of prosperity?

In 1992, Mexican writer Carlos Fuentes compared the region's history to the construction of a tall building that is never completed despite gradual, constant progress. Latin America, he wrote, was "advancing yet unfinished, energetic yet fraught with seemingly insoluble problems".

Latin Americans hope the 21st century's new opportunities will allow them to prove Fuentes wrong.



African leaders gain in confidence despite setbacks

Fears of a new 'scramble' for influence in the continent are, in part, tempered by features of its economic and demographic promise

David Pilling

Mohamed Bazoum, a quietly spoken schoolteacher-turned-politician, spent the beginning and end of 2023 in the presidential palace in Niamey, the dusty capital of Niger. While he started the year as president, he ended it as a prisoner.

In July, [Bazoum](#) was ousted in a coup d'état mounted by the head of his presidential guard, Abdourahmane Tchiani, following a pattern familiar in the Sahel — a semi-arid strip stretching nearly 6,000km, just below the Sahara.

With a series of coups in the region since 2019 — two in Sudan, one in Guinea, two in Mali, and two in Burkina Faso — military governments have shot themselves to power in an unbroken belt of countries across the continent.

Niger's coup was swiftly followed by one in Gabon, on the Atlantic coast of central Africa, though international outcry was limited over the overthrow of the Bongo family, which had run Gabon since 1967.

The [coups show a disenchantment with democracy](#), which, gamed by political elites, has largely failed to bring development and opportunity. It is clear, says Ken Opalo, associate professor at Washington DC's Georgetown University, that "ritual electoralism and governance reforms do not constitute a magical portal to a well-ordered society."

Niger was an important domino to fall, given France and the US had cultivated Bazoum as an ally, to help fight a spreading Islamist insurgency in neighbouring Mali and Burkina Faso. Niger had also helped slow the flow of migrants heading towards Europe.

But, in just 18 months, French troops have been expelled from Niger, Mali, and Burkina Faso, ending France's pretensions as a regional military power.

Zeinab Badawi, a Sudanese-British journalist and author of the forthcoming book, *An African History of Africa*, speaks for many who deplore the idea of a "new scramble for Africa" — a phrase with inevitable colonial overtones. However, the diminishment of France in the Sahel has coincided with intensified competition for influence in Africa.

The presence of Russia has been a growing Sahel feature, with the Wagner mercenary group, founded by Yevgeny Prigozhin, [embedded in the Central African Republic and Mali](#). What will happen following Prigozhin's death in a plane crash in August remains unclear.



“

Military governments have shot themselves to power in an unbroken belt of countries across the continent.

In Sudan's civil war, which erupted in April, one side is backed by Egypt and Saudi Arabia, and the other is supported by UAE. The fighting pits Abdel Fattah al-Burhan, head of the Sudanese armed forces and de facto head of state, against Mohamed Hamdan Dagalo, known as Hemeti, who controls the Rapid Support Forces, a paramilitary group.

In commercial terms, though, the picture is more promising, in spite of the disappointing performance of the largest of Africa's economies, notably Nigeria and South Africa. A trade and investment push by the likes of Turkey, India, Brazil, and the Gulf states is an indication of outsiders courting favour in Africa in order to cement deeper ties.

Although a bubbling debt crisis — after sovereign defaults by Zambia, Ghana and most recently Ethiopia — has dented its investment appetite, China remains a strong economic presence.

Such factors give African leaders greater confidence in their potential political clout, both with emerging powers of the Global South and with Europe and the US.

William Ruto, Kenya's president, has already sought to negotiate a better financial deal for Africa. The [Nairobi Declaration](#), signed by the 54 African nations in September and presented at the recent COP28 climate change conference in Dubai, urged richer countries not only to do more to cut emissions, but also to remake the global financial architecture. That, the declaration says, should involve a massive transfer of resources to a continent obliged to adapt to a climate crisis not of its making.

Most African governments have sought to maintain an independent position on the conflicts in Ukraine and Gaza. "African countries should be very, very careful about taking a side," says Nasir El Rufai, former governor of Nigeria's Kaduna state. "We should try to do what India is doing: think through what is in our own interest."

African economies have, in general, been slower to bounce back from Covid-19 than those elsewhere. The [Economist Intelligence Unit](#) expects aggregate growth among Africa's nations of a modest 3.2 per cent next year, but the pattern is mixed. The EIU also forecasts 12 of the top fastest-growing 20 economies in the world will be African with Ethiopia, Kenya, Uganda, Tanzania, Rwanda and the Democratic Republic of Congo among them.

That is partly a function of demography. Africa's population is set to nearly double to 2.5bn by 2050, when one in four people on earth will be African.

As such, the continent's young people are its most vital asset, yet also its most neglected. "In Africa we have the semblance of an education system," says Phumzile Mlambo Ngcuka, former deputy president of South Africa and former UN under-secretary general, the result being too many children finish school without the skills to compete in the global economy. "Our most important resource is not our cobalt or our gold," she argues. "It's our youth."



In remembrance of Davos times past

The view from the Swiss mountaintop enjoyed by the annual conference of the World Economic Forum is not what it used to be

Jemima Kelly

I did Davos once. I schmoozed with billionaire bankers and businessmen. I spent hours in queues below sniper-strewn roofs waiting for now-King Charles and then-President Donald Trump to pass. I got an incredibly tight squeeze from Cherie Blair after moderating a panel convened about 15 minutes before it started when the Ghanaian president couldn't make it for our "fireside chat". I listened to many men wax lyrical on the limitless potential of blockchain technology (before telling them, as politely as I could, [why they were wrong](#)).

That was four years ago, just before Covid-19 shut much of the world down, when the official theme for the conference was "stakeholders for a cohesive and sustainable world" — a theme so perfectly generic and management-speak-ish that it sounds as if it were produced by some early version of ChatGPT. With this year's "rebuilding trust" as the World Economic Forum's theme, generic management-speak could indeed be thought of as the lingua franca at Davos. Last year, one of the "key takeaways" from the conference was apparently the importance of "cultivating [mattering](#)" which, according to [a WEF report](#), is "truly a meta-skill for modern management in a fragmented world".

It has become something of a cliché to call out the hypocrisy — and the detachment from reality — of the elites who descend on the Swiss Alpine village each year. But the hubris among the Davos set is palpable.

"It's pretty extraordinary that we, a select group of human beings because of whatever touched us at some point in our lives, are able to sit in a room and come together and actually talk about saving the planet... it's so, almost extraterrestrial, to think about," former US secretary of state John Kerry, a Davos regular, told the conference last year.

This year, Bloomberg, in its spiel about the "Bloomberg House" set up for this year's conference, [tells us](#) that "meaningful change happens when the right people come together in the right place".

All of this would probably have seemed good and proper in the conference's glory days in the early to mid-noughties, when the idea that globalisation was an unalloyed good was not just the consensus at Davos but across the world. This was the time of "[hyperglobalisation](#)", when global trade was growing significantly faster than gross domestic product — an era that ended with the global financial crisis of 2008.

The whole idea has gone out of fashion — even becoming a dirty word in some (predictable) quarters: Trump recently used it to insult his GOP rival Nikki Haley, [telling a crowd](#) "she's a globalist; she likes the globe". And no

“

It has become something of a cliché to call out the hypocrisy — and the detachment from reality — of the elites who descend on the Swiss Alpine village each year.



forum is more associated with globalisation than Davos. According to a Google tracker of frequency with which words and phrases are used in English-language books, the term peaked around 2007, falling sharply since. The use of the word “Davos”, meanwhile, follows a remarkably similar path and peaked in 2008.

It is 20 years since the American political scientist Samuel P Huntington [used the term “Davos man” to describe](#) the kind of “gold-collar workers”, or “cosmocrats”, who “view national boundaries as obstacles that thankfully are vanishing, and see national governments as residues from the past whose only useful function is to facilitate the elite’s global operations”.

But the idea that the Davos global elite would rather be schmoozing with each other than dealing with the messy business of national politics persists, and for understandable reasons. Last year, UK Labour party leader and likely next prime minister Keir Starmer [told The News Agents podcast](#) he would choose Davos over Westminster “because Westminster is too constrained”.

The archetypal Davos Man is indeed still a man, too. This year, 28 per cent of the conference’s attendees will be women — a “significant milestone”, the WEF tells me. That’s [up from 15 per cent ten years ago](#) — a slight improvement, certainly, but the fact that only just over quarter of attendees are women in 2024 hardly seems something to shout about.

The truth is that Davos is losing its relevance and increasingly seems out of touch with the spirit of the times. Once a place, perhaps, where people with starkly different perspectives could talk on neutral ground, it has become so associated with one particular pro-capitalism, pro-globalisation worldview that many of the world’s most powerful people — including the world’s richest man, Elon Musk — would now rather poke fun at it online than attend.

Now in its 54th year, Davos is declining. Its chair, Klaus Schwab, is [apparently in good health](#), but he is in his 86th year. Will Davos survive him? I’m not altogether convinced.



Achieve more with an FT Professional Subscription

In many organisations, strategic plans are failing because they ignore the most pivotal part of the business landscape: the market.

FT Professional Subscriptions equip over 7,000 organisations globally with trusted Financial Times journalism and dedicated tools that help our customers;



Inform decision making with a trusted source of business intelligence



Improve client knowledge using broad sector coverage and deep analysis



Identify risks and opportunities by leveraging global, connected reporting

An FT Professional Subscription delivers the commentary and analysis organisations need, along with the tools and services to make that intelligence actionable:



Premium access to FT.com

Access to all FT.com journalism at your fingertips, meaning you and your team won't miss a thing



Workflow integration and apps

The FT on the systems and devices you use most. Keep informed with mobile apps, a Teams integration and availability on platforms like Bloomberg



Professional-only tools and features

Use exclusive features like FT Workspace to make FT journalism more useful for work or learning



Enhanced support and services

Optimise use of the FT in your organisation with the help of your dedicated Customer Success Manager, and tools to manage your subscription effectively

Learn more about FT Professional Subscriptions at professional.ft.com