

# *Caspian Development Forum*

**PURSUING THE GOALS OF THE FOURTH INDUSTRIAL REVOLUTION:**

**A MANUAL FOR GLOBAL SUCCESS**

**A TALK TO BE GIVEN AT CASPIAN WEEK,**

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In his 2016 monologue, *The Fourth Industrial Revolution*, a remarkable book published to date in no fewer than sixteen languages, Professor Klaus Schwab describes his perception of the unique changes taking place in contemporary society that are unlike any that have gone before.

We now live poised upon a delicate tipping point, says Schwab, in which the choices we make as a global society mark the difference between potential human glory and its most abject of failures. The genesis of this unique situation in human history, says Schwab, is technological changes of an unprecedented nature. And therein lies the kernel of his thesis.

In the words of Schwab:

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*Of the many diverse and fascinating challenges we face today, the most intense and important is how to understand and shape the new technology revolution, which entails nothing less than a transformation of humankind. We are at the beginning of a revolution that is fundamentally changing the way we live, work, and relate to one another. In its scale, scope and complexity, what I consider to be the fourth industrial revolution is unlike anything humankind has experienced before. ...*

*The changes are so profound that, from the perspective of human history, there has never been a greater time of potential promise or potential peril [emphasis added]. My concern, however, is that decision makers are too often caught in traditional, linear (and non-disruptive) thinking or too absorbed by immediate concerns to think strategically about the forces of disruption and innovation shaping our future.*

This is a remarkable and bold thesis. The purpose of this short talk is to consider what Schwab is saying; to enquire whether he might be right in this extraordinary set of assertions; and if he is right (and I will say right now that I think he may well be but I cannot be sure); and then to ask what we ought to do about it if he is. I also want to ask who “we” are in that latter question.

Because although I think he may well be right, I think he raises more questions than answers: as good thinkers usually do. Therefore to call this talk a “manual for success” is almost certainly hopelessly over-optimistic. What we probably ought to call this talk is “the need for a manual for success”; although for reasons of pithiness I elected not to use quite that phrase when I chose the title for this speech.

Let us subdivide Schwab’s assertions into the following hypotheses. Firstly, he says, there is something about recent technological developments that is essentially unique or unprecedented. Every generation believes that it has exceptional technological advancements associated with it. But Schwab’s hypothesis is that there is something so unique about this generation’s technological progress that the way we manage it will lead us into either elysium or catastrophe. That is his second hypothesis. We have a very important decision to make.

The third hypothesis he advances is that we can do something about it. We are not the slaves of technological development; we are its masters. Finally, he has a fourth hypothesis - from which the prior three must follow - that there is a “we”. There is something that humankind can do collectively; and this gives rise to the question of how “we” can do anything collectively. Does writing books describing the problem make a difference? Will it motivate people

to improve things? Or will they just ignore books, and keep doing what it is in their individual self-interests to do? This is a question that harks back to the Enlightenment: does it do us humankind any good, that scholars describe the rationalisation of the world? Or are their descriptions epiphenomenal: that is to say, whatever they describe, makes no difference to how things eventually work out? If *The Fourth Industrial Revolution* is a modern-day version of *Der Kritik der Reinenvernunft*, then did (or will) either such book really make such a difference as its authors anticipated or hoped, save by way of intellectual satisfaction of students of philosophy such as me?

So those are the questions. And now I am going to give you my opinions. And then I am going to outline the reasons why I have those opinions. Logically, this is the wrong way round to do things. But logicians rarely achieved much, because by virtue of the constraints of their profession they might cynically be observed to have lacked imagination. And so I will cast off their shackles, and tell you what I think, right now.

This is a second Industrial Revolution in Schwab's sense, not a fourth. The Enlightenment, not the Spinning Jenny, was the first. Schwab is absolutely right, in that he has captured an intellectual apex of our age. But in its essence it is a revolution between one intellectual epoch and another that he is describing: driven by technological change, yet not consisting in it.

Nobody can predict technological change, and nobody can say that this is a specific moment in technological change that will alter all our lives forever. For all we know, a nuclear bomb of such ferocious magnitude might go off tomorrow as to reduce us all back to the technological dark ages. But that would not stop what Schwab calls the Fourth Industrial Revolution. It would persist, because the phenomenon he captures is a turning-point in how human beings think about themselves. And that cannot be undone by taking away our iPhones, even if in part it was caused by giving them to us.

For this reason, I believe that his Fourth Industrial Revolution cannot be stopped and it is not dangerous. I am more of a fatalist than he is: but not necessarily a pessimistic one. The inspirations of the Enlightenment could not be undone, despite some of the grim decades that were to follow. The Enlightenment survived the horrors of the twentieth century.

If any such horrors were to be recreated by reason of the technological developments Schwab now identifies as shooting irreversibly through our society - and he hints that that such horrors might resurface, in the tone of implicit potential negativism that infects his work - then the Fourth Industrial Revolution would nevertheless survive. That is because the values it incorporates are like the carapaces of crustacea immune to the horrors of a

nuclear winter. Ideas can outlive all wickedness, even if wicked people sometimes use ideas to cause harm.

What are these new ideas, catalysed by technological development, that Schwab identifies? It is not hard to perceive what they might be. They are an appreciation of the control of the human mind, and the way it thinks, by technical device. This idea is now being eroded, because technical devices have become so advanced as to make us collectively call into question whether we are the free Enlightenment beings we were previously been told had superseded an Enlightenment religiosity perspective of the metaphysics of mentality.

The Enlightenment taught us to believe that the human mind was a separate and free and autonomous will, independent equally of Newtonian and Aquinean mechanics alike. In the words of Immanuel Kant:

*A good will is good not because of what it effects, or accomplishes, not because of its fitness to attain some intended end, but good just by its willing, i.e. in itself; and, considered by itself, it is to be esteemed beyond compare much higher than anything that could ever be brought about by it in favor of some inclinations, and indeed, if you will, the sum of all inclinations.*

*Even if by some particular disfavour of fate, or by the scanty endowment of a step-motherly nature, this will should entirely lack the capacity to carry through its purpose; if despite its greatest striving it should still accomplish nothing, and only the good will were to remain (not of course, as a mere wish, but as the summoning of all means that are within our control); then, like a jewel, it would still shine by itself, as something that has full worth in itself.*

The Fourth Industrial Revolution shows us that things are not quite like this, Instead Schwab tells us that we are at risk of being the victims of determinism, rather than slaves of the science over which we previously thought we were the masters. Schwab's expression of danger in the effects of the Fourth Industrial Revolution might have upon the future of society reflect, in my opinion, the potential loss of autonomy over our moral selves that industrial development risks causing. The coin might be flipped.

That leads me to the question of in whose hands the direction towards nuclear winter, or sunny elysium, currently stands. If there is a decision (and Schwab certainly thinks there is), then who is to make it? His answer is that society is comprised of "stakeholders": business leaders, senior public officials, and representatives of civil society who convey the opinions of select pressure

groups who have consolidated their common interests in organisations such as trade unions and non-governmental organisations to which they contribute to represent their common views.

In Schwab's opinion, if these groups work together to harness the new technology he perceives as representing such a profound tipping-point in human history, then they can be a force for good. That, presumably, is why an organisation such as the World Economic Forum, with an annual meeting in which stakeholders can find common points of cooperation and collaboration, makes sense.

This is, and always has been, a bold vision. Perhaps the principal measure of its success is empirical. Notwithstanding its detractors, the World Economic Forum has been functioning in one way or another since 1971 as the European Management Forum. If people didn't want to meet for some reason, then the event in which we all participate today would not have taken place for as long as it has done. The stakeholder hypothesis is therefore fortified by the fact that stakeholders seem to want to meet each other. It is not clear why they would want to do so on so continuous a basis, but for the fact that they are indeed common stakeholders in something and coordination and transactions costs are otherwise sufficiently high that this is the only way to do it.

A cynic might observe that so-called “stakeholders” might not really be stakeholders at all, but instead attend an event such as Davos for ulterior motives ancillary to that for which this event is stated to occur. But that hypothesis begs the question why so many people and organisations that potentially might qualify as stakeholders elect not to participate. The fact that this is not a meeting of people forced to be here (indeed quite the opposite) indicates that the cynical interpretation of what it means to be a stakeholder is more likely than not to be false.

The people who want to come here do so because they want to achieve something that they cannot achieve without a cooperative meeting in such unusual (and, let us be honest, climactically inhospitable!) circumstances. This might be a crafty reason why to hold the World Economic Forum annual meeting in January and not July.

This leaves us, finally, with the question of what we “stakeholders” ought to be doing to collaborate together to ensure that the potentially dangerous revolution of ideas Schwab identifies is mollified and even channelled in a positive direction. That is the hardest part of the project. To recapitulate the beginning of this talk, I do not have a manual but I think we together need to write one. I suggest we spend the next year, before we all meet here again,

deciding what that manual should say. This will require a forceful exchange of ideas, and must avoid the inevitable temptations of mutual exaltation.

I don't know the exact answer to this challenge, but I am persuaded that Schwab has presented us with a legitimate challenge that it is within our power at least to address. For those so fortunate and privileged to be here, we owe it to humanity to try to achieve this. Should we fail even to attempt such a task, no matter how ominous, then that would be the greatest and most self-defeating gift to our detractors.

Ladies and Gentlemen, thank you for listening to me today.

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