Schwab’s Wiener Lecture points to challenges and opportunities of new industrial revolution.

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From his position as founder of the World Economic Forum (https://www.weforum.org/) (WEF) and its famous annual coming together of global leaders at Davos, high in the Swiss Alps, Klaus Schwab MC/MPA 1967, takes the long view of world affairs.

Delivering the 2017 Malcolm H. Wiener Lecture on International Political Economy, entitled “Strengthening Collaboration in a Fractured World” on Wednesday (Sept. 20), Schwab mapped out a future marked by supersonic technological change and its potential for great upheaval as well as great opportunities.
Drawing from themes first explored in his best-selling book *The Fourth Industrial Revolution* (https://www.foreignaffairs.com/articles/2015-12-12/fourth-industrial-revolution), Schwab outlined how the world is undergoing a new change, following those brought about by steam, electricity, and computing respectively. This latest revolution, staggering in its speed, according to Schwab, will meld the physical, digital, and biological.

The potential for breakthroughs in medicine heralded by nanotechnology and biotechnology is enormous, he said. And talent will replace capital as the building block of the economy. But, Schwab reminded the audience at the John F. Kennedy Jr. Forum that this will inevitably lead to disruption. In the coming decade, he said, in the United States alone, 20 million people currently employed as drivers or checkout clerks may well lose their jobs to machines.

This raises enormous philosophical and governing questions. Schwab said we must be prepared to rethink the way we are educated and when; he spoke about “lifelong education.” He also discussed the possibility of a minimum guaranteed income—a sort of welfare that would allow all citizens to earn an income. He also
income—a sort of welfare that would allow all citizens to earn an income. He also said governments must learn to become more agile, both in the services they provide and in how they regulate the private sector.

He illustrated the problem by recalling a conversation he had with German Chancellor Angela Merkel, following a meeting with leaders of high-tech companies. “In Silicon Valley, everything which is not forbidden is allowed,” Schwab recounted Merkel as saying, “and in Europe everything which is not explicitly allowed is forbidden.”

Speaking with moderator David Gergen (/faculty/david-gergen), Public Service Professor of Public Leadership and director of the Center for Public Leadership (https://cpl.hks.harvard.edu/), Schwab said he was nonetheless hopeful.

“I’m very optimistic about the future of the world,” he said. “Because we see the young generation, I think we can build what I would call a new renaissance, particularly using technology solving all the issues moving forward.”

Schwab also cautioned that it was important not to neglect emotional intelligence, and what he called “the language of the heart.”

Schwab remembered something Eric Schmidt, the executive chairman of Alphabet, had said at Davos: “The coming decade would be a battle between robots and humans, and to win that battle we would have to know what makes us human.”

“In a fractured world, we also need the heart,” Schwab said. “Culture ... is an essential part of humanity, not just economics and politics.”

As if to underline the point, the evening was kicked off by renowned cellist Yo-Yo Ma, a friend of Schwab, who played Song of the Birds, a traditional Catalan song.

HKS Dean Doug Elmendorf presented Schwab with a Dean’s Award in honor of Schwab’s lifelong commitment to public service and the 50th anniversary of his degree.
“Nothing has influenced my life more than my year’s stay here at the Kennedy School,” Schwab said. “The Kennedy School is an essential pillar in the buildup of the WEF.”