

Leadership Challenges Mount in the Unpredictable World of Social Media

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Adrian Monck, Managing Director, Head of Communications: +41 (0)79
817 0315; adrian.monck@weforum.org

- Social networking and communications tools such as Facebook and Twitter are putting new pressures on business and government leaders
- The deficit in global leadership is impeding agreement on pressing global issues such as climate change
- The theme of the 42nd World Economic Forum [Annual Meeting](#) is *The Great Transformation: Shaping New Models*. For more information, visit <http://wef.ch/Davos>

Davos-Klosters, Switzerland, 28 January 2012 – Technology and social media are significantly changing the way leaders in business and government make decisions, global opinion-shapers told participants in a session predicting scenarios for 2012 at the World Economic Forum Annual Meeting. Users of online networking services such as Facebook and Twitter have had a significant impact on elections and protests around the world, including the Arab Spring demonstrations that led to the toppling of leaders in Tunisia, Egypt, Yemen and Libya.

“The days of the one-way conversation are over whether you are the prime minister or the CEO,” said *New York Times* foreign affairs columnist Thomas L. Friedman. “We are all in a two-way conversation. The challenge for political and corporate leaders is to understand the power of what can be generated from below. The sweet spot for innovation is moving down. The sweet spot in policy and politics is moving down.”

Gideon Rachman, Associate Editor and Chief Foreign Affairs Commentator at the *Financial Times*, agreed. “Both democratic and authoritarian governments are struggling with this.” But he warned against exaggerating the impact of social media. “You wonder how they managed to storm the gates of the Bastille without Twitter,” he remarked.

Also creating governance challenges in the new hyperconnected world is the lack of global leadership, argued Nouriel Roubini, Professor of Economics and International Business at the Leonard N. Stern School of Business of New York University. “This doesn’t look like a G20 world; it looks like a G-Zero world. There is disagreement. There is no leadership. In a world where we have the rise of many powers, the US cannot impose its will.” On important global issues from climate change to dealing with the impact of the global recession, disagreements have prevented the shaping of effective solutions, reckoned Roubini, who told participants that there is a 50% probability over the next three to five years that the Eurozone will break up.

Leaders too are hampered in their decision-making by the mounting complexity of problems and the fast pace of developments. In addition, politicians often have to think about getting re-elected as soon as they take office. There is no time to think, Robert J. Shiller, Arthur M. Okun Professor of Economics at Yale University, observed. “You can’t be a leader unless you have time to think and develop yourself.”

In Asia, including the large, fast-growing economies of China and India, political leaders have also had to cope with the pressures from the emergence of social media and the “two-way

conversations” with their people. Asian leaders are listening and responding, noted Kishore Mahbubani, Dean of the Lee Kuan Yew School of Public Policy at the National University of Singapore. “It’s about how you respond to the wake-up calls,” Mahbubani explained. “Things are happening in Asia under the radar screen because of the quiet and unpretentious nature of the leadership. Within the Asian cultural fabric, there is awareness that the role of government is important. People are not trying to overthrow their government. They want to get better government.”

Notes to Editors

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World Economic Forum, 91-93 route de la Capite, CH-1223 Cologny/Geneva
Tel. +41 (0)22 869 1212, Fax +41 (0)22 786 2744, <http://www.weforum.org>