

BEST TIME TO TURN TO STAKEHOLDER CAPITALISM: WEF MD MURAT SÖNMEZ

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*As part of its continuing series on the impact of the coronavirus pandemic on our lives, R M Consulting had reached out to the **World Economic Forum (WEF)** that, over the years, has set the agenda for Public-Private Cooperation worldwide and how business can be a force for good.*

*Below are the replies of **WEF Managing Director Mr Murat Sönmez** to the questions we had sent across.*

Q. To what extent do you foresee countries the world over resorting to protectionist policies to protect home-grown companies?

Ans: Public-private cooperation has never been needed more. This pandemic has shown us that we are all connected. In the given situation, it's in the best interest of the countries to collaborate, exchange ideas, solutions and learn from each other.

Along with better coordination, the pandemic also calls for greater exchange of best practices on which policies are most effective. Our COVID Action Platform has over 1,200 organizations and individuals from around the world working together to tackle some of the biggest challenges of our day. We can only get through this together.

As countries plan to open their economies, it is in their interests to learn from others. Companies in manufacturing can learn from industries opening-up in Italy. The hospitality industry can learn from the steps taken in Singapore where hotels are using innovative tech solutions to ensure minimum interaction and touch in a bid to attract customers post COVID. This is really the best time to turn to stakeholder capitalism, where the interest of all actors of the society is taken into consideration, rather than a shareholder only drive.

Technologies of the fourth industrial revolution, such as Artificial Intelligence, 3D printing, blockchain and drones, for example, represent great opportunities for governments and companies and governments to redesign how they produce and distribute their products and services in a more transparent, trusted, scalable and efficient way. These, however, require globally interoperable governance protocols such as on the use of data and responsible use of technologies.

Q. Do you anticipate any significant impact on the operations of large MNCs due to any protectionist tendencies developing in their larger international markets?

Ans: It is a fact that operations of MNCs are being significantly impacted due to the pandemic, compelling some of them to look and change their very fundamental ways of functioning. Sectors ranging from education to healthcare to transportation are coming up with new innovative ways of functioning, which would impact their operations, but ensure their survival in this short term. In the longer term, many of them will be changing their priorities. For example, the real estate industry which was looking to prioritize sustainability and reducing carbon footprints at the beginning of the year is looking to add the health and well-being of its users' post-pandemic.

Q. In the wake of the economic devastation caused by the coronavirus pandemic, should governments/regulators play more proactive roles in ensuring that local companies do not fall victim to hostile takeovers?

Ans: While there is no road map to guide us through these unique times, collaboration remains at the heart of a healthy recovery. Governments need to take into consideration short term goals while ensuring long term prosperity for all and wary about hostile takeover among countries is a concerning issue for the world as well as for us.