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WHAT THE WORLD ECONOMIC FORUM TELLS US ABOUT AI, POWER AND TRUST

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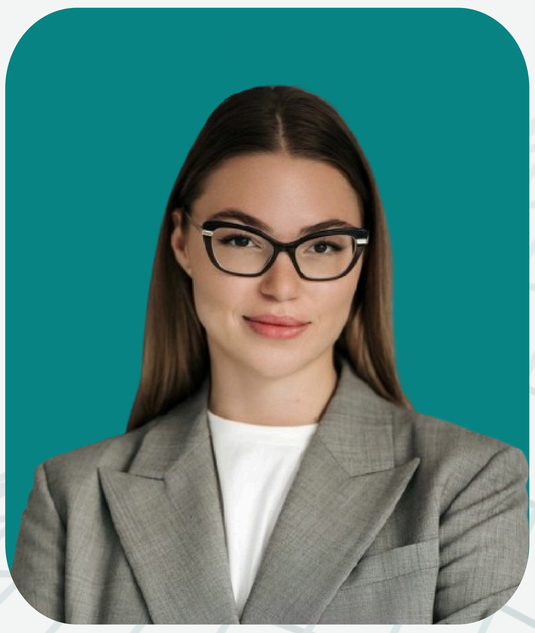
DAVOS 2026

Every January, the World Economic Forum brings together heads of state, CEOs, regulators, and researchers in Davos. In January 2026, AI dominated the agenda. But the tone had shifted. The central question was no longer about new models and speed records. It was: *what does it take to make AI actually work, at scale, across entire economies and institutions?* This report synthesizes the key themes and draws out what they mean for the Swiss LegalTech ecosystem.



THE CORE SIGNALS FROM DAVOS

A GEOPOLITICAL AND ECONOMIC POWER

The race has moved to deploying

In the session *AI Power Play: No Referees*[1], panelists including Brad Smith (Microsoft) and Kristalina Georgieva (IMF) described AI as a new arena of global competition with few agreed rules. The key shift: the race is no longer about who builds the most powerful model. What matters now is who can deploy AI at scale and embed it into real-world productivity systems.

Georgieva estimated that 40% of jobs globally are affected by AI, rising to 60% in advanced economies. The IMF itself went from 200 translators to 50 following the adoption of AI and related technology[1].

Investment versus real-world results

In a conversation moderated by Larry Fink (BlackRock), Satya Nadella (Microsoft) cautioned that if AI's benefits remain concentrated in a handful of tech companies, this cycle risks looking like a bubble[2]. Fink presented stronger positions, stating that while there will be "big failures," he does not believe AI is in a bubble. Both agreed that AI must produce tangible results beyond the largest players.

The session *Scaling AI: Now Comes the Hard Part*[3] reinforced this view. CEOs from Accenture, Philips, Visa, and Aramco described the real bottleneck: clean data, redesigned workflows, clear accountability and workforce training. An audience poll during the session suggested that many organizations had launched AI pilots, but relatively few had scaled them.

Infrastructure and AI sovereignty

Several sessions connected "AI sovereignty" to physical infrastructure: energy grids, data centers, computing capacity — rather than flagship national models[1,4]. Brad Smith described the global data center landscape as uneven: US data centers face local opposition while European governments fund them with public money[1].

Canadian Prime Minister Mark Carney reinforced this from a broader angle. He described a world where "great powers have begun using economic integration as weapons, tariffs as leverage, financial infrastructure as coercion, supply chains as vulnerabilities to be exploited"[13]. His speech addressed the fracturing of the rules-based order rather than AI specifically. But in our view, the implication for AI infrastructure is clear: as AI becomes embedded in critical systems, depending on foreign infrastructure becomes a strategic vulnerability.

For Switzerland, this connects directly to ongoing discussions about data localization, cloud sovereignty and the conditions under which sensitive data – including judicial data – can be processed.

GOVERNANCE, REGULATION AND INSTITUTIONAL TRUST

Trust as the governance challenge

The governance discussions at Davos 2026 went beyond compliance checklists. The central question was whether institutions can govern AI in a way that is visible, enforceable and credible. A WEF analysis argued that "responsible AI" requires governance frameworks that are operational and embedded in system design; voluntary pledges are insufficient[5]. This maps in our view to the observable market trends: Meta, a leading actor in AI research and services, refused to sign the EU's AI Code of practice. Then who should be held accountable when something goes wrong, and what mechanisms should catch problems before they escalate?

Practical governance mechanisms

Participants pointed to complementary mechanisms gaining traction: liability allocation frameworks that clarify responsibility at each point in the AI value chain, and insurance-based risk-sharing arrangements[5]. AI governance was repeatedly framed as a board-level responsibility, tied to strategic decision-making and institutional reputation[5,11].

Clients will increasingly expect legal counsel to advise not only on compliance, but also on governance design—such as how to structure accountability, allocate liability across AI supply chains, and document AI-assisted decisions.

The SLTA's Tech & Law Insights Magazine has been exploring these questions – including open-source AI governance, deepfakes and AI in arbitration – and provides already insights.

The cross-border dimension

AI governance was treated as an inherent cross-border challenge. Disinformation, system misuse, autonomous decision-making and security vulnerabilities do not stop at national borders. Switzerland, with its tradition of hosting international organizations and mediating between competing regulatory regimes (the EU AI Act, the emerging US approach, China's framework), has a natural role and important principles to uphold.

A structural shift

Speakers across multiple sessions framed AI as a structural force reshaping labour markets and skills systems. Demand is shifting toward digital, analytical, and AI-operational skills. Alongside capabilities AI cannot easily replicate judgment, communication, ethical reasoning and contextual decision-making[2,3]. Denis Machuel (CEO, Adecco Group) warned that workforce disruption crosses borders and directly threatens social cohesion[4].

For the Swiss legal profession, this translates into concrete pressure. Justitia 4.0, the federal project to digitize the Swiss justice system, requires all legal professionals to work with digital processes which are likely to increasingly incorporate AI and require new skillsets.

Cognitive development and junior training

In the session *Defying Cognitive Atrophy*[8], Anna Frances Griffiths (Vignoles), Director of the Leverhulme Trust, warned that without the opportunity to develop cognitive skills and neural pathways in childhood, “we’re in trouble.”

For the legal profession, this raises a concrete question: if junior lawyers rely on AI for research, drafting and analysis from the outset of their careers, what happens to the deep-practice skills that traditionally take years to develop? The SLTA has flagged this issue and actively advocates for rigorous AI training. At our panel “AI before the bench” during the Geneva International Legal Week, Zelda Hunter (White & Case) reminded the audience of the necessity of training future generations to properly use AI.

WORKFORCE TRANSFORMATION AND SOCIETAL IMPACT

If there was one message that cut through the strategic abstraction at Davos, it was this: AI runs on physical stuff. Energy systems, power grids, data centers, supply chains and critical materials all emerged as limiting factors[9].

Control over this infrastructure increasingly determines which countries can turn AI capability into lasting economic advantage[9,10]. “AI sovereignty” was seen as a long-term infrastructure question: having the physical foundations for widespread deployment.

For Switzerland, this is not abstract. The country’s energy mix, data center capacity, and regulatory environment for cloud services will determine how much of the AI value chain can realistically be located here. Swiss LegalTech companies building products that process sensitive legal data need reliable, sovereign infrastructure. Climate constraints, energy transition requirements, and AI expansion are now deeply interconnected[11].

CONCLUSION

Davos 2026 positioned AI as a structural transformation. Competitive advantage depends less on access to AI – which is becoming commoditized – than on the ability to deploy it responsibly, at scale, with clear accountability. For the legal sector, every new deployment raises questions about accountability, data protection, IP and risk allocation, placing legal professionals, regulators and LegalTech providers at the center of the transformation.

The signals from Davos align with Switzerland's strengths and with the SLTA's mission. Legal certainty, regulatory stability, institutional credibility and public trust are exactly the foundations that AI governance needs. Swiss LegalTech will not compete on platform scale with US or Asian tech companies.

The opportunity lies in building solutions where governance and trust are the product.

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