

DAVOS 2001 VIEWPOINT

Capitalists Who Aren't Afraid to Cry

The globophobes may be out of a job as big business gets all soft and contrite

Josef Joffe

SATURDAY IS TRASH TIME IN DAVOS. ON THE THIRD DAY OF THE World Economic Forum, globophobes and anticapitalists of every stripe make their voices heard—well, actually, their fists and brickbats. For years, it has been a well-choreographed ballet of violence along the Promenade, Davos' main drag. The rioters go first, the police try to keep them away from the Congress Center. Armed with the latest, these men in black look like so many Darth Vaders, their riot helmets reaching to their shoulders. It is usually a draw, with wounded on both sides.

Last year, the rioters smashed up the McDonald's (despite its "Think Global, Eat Local" sign), but this year, sweet pacificity reigned. Not, mind you, because the wild ones had exchanged their jeans and megaphones for grey flannels and cell phones. This year, Switzerland's finest had simply locked them out, as far away as the country's borders. Another line of defense was Landquart, some 40 km from Davos. Doubly furious, the Forum haters withdrew to Zurich to trash the main rail station and, of course, the McDonald's. Inside the Congress Center, the more progressive souls among the 3,000 attendees waxed sonorously indignant about freedom of assembly denied and other outrages. But they missed an obvious and a deeper point. First, the rioters had come to disassemble—fast-food parlors, storefronts and, for good measure, the bones of policemen. Second, we don't need this Alpine *intifadeh* any more; the streetfighters have won the war.

Yup! A funny thing has happened on the way up to Thomas Mann's Magic Mountain, and you could see it coming since the late '90s. Those profit-scrounging bosses and their retinue in the shiny black Mercedeses have found religion. Inside the Congress Center, they proclaimed peacefully what the protesters with their placards and brickbats were not allowed to enunciate outside.

Just look at Bill Gates, the richest man in the world, who had come to Davos not so much to do business as to tout the \$100 million he is giving to AIDS research. Or listen to Klaus Schwab, the Forum's impresario, as he exhorts Big Business to "create a dignified existence for all." Or leaf through the WEF's program guide. It is contrition galore. Here is a quick sample from the plenaries and seminars. "Legitimacy at Risk," dealing with the "Establishment's" loss of credibility. "Globalization and Africa: Failure to Deliver?" "Is Trade Bad for Your Health?" "Irrational Exuberance: The Morning After," an obvious one, given that some of the

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hottest dotcom stocks are off 90% from their peaks. "The Opposition is the People" explains why too much centrism—"traditional democracy"—spawns riots and revolts.

"Addressing the Challenge of Inequality in Latin America," "Toward a Greener Future," "The Backlash Against Globalization"—if those frustrated revolutionaries had only perused the program, they would have stayed home composing congratulatory e-mails to Schwab and friends. And they could have savored a strong whiff of Esalen-in-the-Alps. Here are the world's ultra-capitalists "exploring the art and language of the possible." Or asking: "What is religious, what is spiritual?" Or "Searching for Healing and Transformation Through Creative Expression."

This is not what hard-nosed bottom-liners are supposed to ponder. They are supposed to worry about delivering profits to shareholders. But Davos has always been good at ratifying the trend du jour rather than setting the agenda. Deftly absorbing what is out there, the WEF has grown into the largest shmooze fest on earth. But is it cutting-edge stuff? After years of research, Davos regulars have developed what you might call the Two-Year Inverse Leading Indicator Theorem.

It goes like this. In 1993, Mexico was all the rage in Davos; two years later, the world was treated to the Mexican bailout. In 1995, the Asian "Tiger" economies were saluted as the global model; two years later came the Asian financial crisis. In 1999, the dotcom billionaires were celebrated as the new masters of the universe; this year their stocks are in tatters, their vaunted New Economy still a dream. In short, what is feted in Davos will fail two years later. Makes you wonder about Europe, the star of this year's Forum. "Europe is back," crowed French Finance Minister Laurent Fabius. If the theorem is right, look for shelter well ahead of the 2003 meeting. Or you might also surmise that Yasser Arafat's hate-dripping diatribe against Israel, accusing it of "fascist military aggression," is actually good news for the Middle East. Here is the wager: precisely because Arafat torpedoed the peace process at Davos '01, there will be a deal in '03.

But what about our contrite capitalists, who have stolen the thunder of the globophobes? We don't need the latter anymore. What we now crave is a very different demonstration. It should be led by Newt Gingrich and Margaret Thatcher. And the posters should read: "Down with Goody-Goody Capitalism," "Globalization Is the Only Way" and "Profit *Über Alles*." ■