

# The Davos World Economic Forum (WEF)

Competing Ideologies: Davos v. Belem

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Founded in 1971, the Geneva-based World Economic Forum (WEF) meets annually in Davos, Switzerland to bring together top business and political leaders as well as mostly neoliberal minded intellectuals, economists, journalists, and others.

WEF calls itself “an independent international organization committed to improving the state of the world by engaging leaders in partnerships to shape global, regional and industry agendas.” It aims for “world-class governance (read dominance).” Its motto is “entrepreneurship in the global public interest (read for the top 1%).” This year’s theme – “Shaping the Post-Crisis World” – a tall order addressing what they caused that’s heading the world for a calamitous depression.

Its five-day 2009 meeting attracted over 2500 participants from 91 countries, including over 1170 CEOs and chairpersons from the world’s most powerful companies. Others included 219 public figures, 40 heads of state, 64 cabinet ministers, and various other high-level business, government, think tank, media, academic, religious, organizational, and union officials. Noticeably different, according to Bloomberg, “was the virtual absence of Wall Street figures” as well as top Obama administration figures.

Annually, Davos becomes headquarters for the world’s power elite to meet and review past achievements, challenges, and prospects for greater exploitation of world markets, resources, and people everywhere. Or put another way, to use money to create more of it, for themselves, of course.

Ordinarily the occasion is celebratory. Capitalism flaunts its successes and parties. This year gloom prevailed, and one topic above others took precedence: assessing the global economic crisis, its risks in the near and longer term, plotting strategies for the coming year and beyond, and avoiding an appearance of panic in an event drawing prominent media coverage.

Not easy with capitalism most in crisis since the Great Depression, no one sure how to right things, and attendees like George Soros believing today’s problem “is larger than in the 1930s.” Bloomberg headlined the mood: “Grimmest Davos Ever Brings Anger, Finger-Pointing at Bankers,” and one observer noted that “the only good news in Davos was the weather.”

Bloomberg added that “Almost everyone blamed the few bankers who showed up for the near-collapse of the financial system,” with harshest criticism for Wall Street, the Bush administration, and Obama officials for their absence. Economist Kenneth Rogoff called this year the grimmest Davos ever. Abraaj Capital’s CEO, Arif Naqvi said “People are looking for

the solution, but don't yet have the question formulated." Other attendees predicted that conditions in 2010 may be no better.

The Financial Times' (FT) John Gapper wrote: "This was not the week to be seen in Davos and, if you were there, it was not the time to remain calm." He cited one debate with Black Swan author Nassim Taleb saying bankers should be punished and forced to return their bonuses. He described WEF founder Klaus Schwab as "pale-faced," considering "the impossible task this year - to forge harmony out of tension" and plan how to recover.

For many, Davos this year was "where the pent-up dismay and anger over what Wall Street wrought boiled to the surface" despite efforts to contain it. The stars were those who saw the crisis early and warned about it. Figures like Taleb and Nouriel Roubini who says the worst is still to come.

The FT reported that "The unrelenting economic gloom and the fragility of the banking system have cast a cloud over the global agenda and (managed) to dominate discussions. Drama did as well with Turkey's prime minister Erdogan storming out after an exchange with Israel's Shimon Peres over Gaza, but there was more. Despite its absence, America dominated geopolitical and financial concerns.

The Wall Street Journal reported that "The premiers of Russia and China slammed the US economic system in speeches (January 28), holding it responsible for the global economic crisis."

Implying but not naming America, China's Wen Jiabao said the financial crisis was "attributable to inappropriate macroeconomic policies of some economies and their unsustainable model of development characterized by prolonged low savings and high consumption; excessive expansion of financial institutions in blind pursuit of profit."

Putin, in contrast, was blunt in attacking a "unipolar world," saying it's "dangerous" to rely on the US dollar, and calling for the development of multiple, regional reserve currencies in addition to the dollar. He also mocked US businessmen who boasted last year that America's economy was strong and prospects sound. "Today," said Putin, "investment banks, the pride of Wall Street, have virtually ceased to exist," then added: "The entire economic growth system, where one regional center prints money without respite and consumes material wealth, while another regional center manufactures inexpensive goods....has suffered a major setback."

US officials didn't comment but former Fed vice-chairman, Alan Blinder said: "The sad thing is that we might have scoffed at (these comments) a while ago. But we really dragged the world down" economically. "No wonder (Klaus) Schwab looked so stricken," said FT's Gapper.

Davos is a secluded ski village. Protests are banned but not entirely. Dozens marched through the town and threw snowballs and shoes at Swiss police and the convention center. Among them were members of the Young Socialist and Green parties as well as Amnesty International representatives.

Things were violent in Geneva where Germany's Deutsche Welle reported that "Riot police fired tear gas and water cannons at bottle-throwing demonstrators protesting against the annual World Economic Forum in Davos." AP said hundreds turned out for a largely peaceful

demonstration until police “chased black-clad protesters through (Geneva’s) narrow streets as shoppers took refuge in bars and cafes.”

Regional secretary for the trade union Unia, Alessandro Pelizzari, spoke for many in saying: “100,000 lost their jobs in Europe this week. And those responsible are in Davos.” One of the protest organizers, Laurent Tettamenti, added: “The WEF is a symbol of the neoliberal policies of the last 20 years that have caused (today’s) crisis. We have no confidence that the same people who caused (this) can solve it.”

### The World Social Forum’s (WSF) Alternative Vision

At a time of global crisis, WSF more than ever was crucial, relevant and vital. Founded by Brazil’s Ethos Institute for Business and Social Responsibility chairman Oded Grajew, it held its first meeting concurrently with WEF in late January 2001 and continues doing it annually. Its motto - “Another world is possible.” Today, it’s essential.

WEF is “an opened space - plural, diverse, non-governmental and non-partisan - that stimulates decentralized debate, reflection, (and) proposals building. (It) experiences exchange and alliances among movements and organizations engaged in concrete actions towards....more solidarity, (and a) democratic and fair world.”

The first three forums were in Porto Alegre, Brazil. It moved to India in 2004, then back to Porto Alegre in 2005. In 2006, it was “polycentric” - in January in Caracas, Venezuela and Bamako, Mali, then delayed until March in Karachi, Pakistan because of the area’s earthquake. In 2007, it was in Nairobi, Kenya, then in 2008, it became a Global Call for Action and Mobilization by letting thousands of autonomous organizations worldwide hold simultaneous events in dozens of countries. The 2009 forum returned to the Amazonian port city of Belem in northern Brazil, about 60 miles upriver from the Atlantic Ocean.

### WSF’s Charter of Principles

After its 2001 inaugural, WSF drafted Principles “to guide the continued pursuit of (its) initiative.”

Unlike predatory capitalism on display at Davos:

(1) WSF “is an open meeting place for reflective thinking, democratic debate of ideas, formulation of proposals,” free exchanges among participants, and formulations of collective action plans. Participants are civil society individuals, groups and organizations committed to a new society “directed towards fruitful relationships among Mankind and between it and the Earth.”

(2) WSF’s “Another World Is Possible” theme is a “permanent process of seeking and building alternatives.”

(3) WSF is “a world process.”

(4) WSF supports global justice, democracy, human rights, equality, the “sovereignty of peoples,” and opposes neoliberalism, predatory capitalism, complicit governments, and their destructive harm.

(5) WSF is a civil society meeting ground, not a body representing it.

(6) Forums are for participant exchanges, not to establish positions for WSF as a body or make it a “locus of power.”

(7) WSF facilitates and circulates ideas and decisions “without directing, hierarchizing, censoring or restricting them, but as deliberations” and decisions by Forum participants.

(8) WSF is decentralized, “plural, diversified, non-confessional, non-governmental and non-party” locally and internationally “to build another world.”

(9) WSF is committed to “pluralism (and) diversity.” Government officials who accept the Charter Principles are welcome to attend. More on that below.

(10) WSF opposes totalitarianism and reductionist economic views. It stands in solidarity with all humanity in peace and harmony for a better world.

(11) WSF is a Forum for debate, reflection and exchange of ideas on how to “resist and overcome” the domination of capital.

(12) WSF “encourages understanding and mutual recognition (among) participant organisations and movements, and places special value on (exchanges) among them.”

(13) WSF aims to “strengthen and create new national and international links (to) increase the capacity for non-violent social resistance (against) dehumani(zing) the world.”

(14) WSF aims to have a global agenda for “building a new world in solidarity.”

#### Themes and Solidarity in Belem

Over 100,000 attendees from 150 countries voiced common themes – Pan-Amazonia for the Forum’s site, opposition to predatory capitalism, wars, inequality, injustice, intolerance, environmental destruction, prejudice, and elitism. For six days, hundreds of events took place in workshops, campings, seminars, conferences, speeches, testimonies, marches, cultural and artistic activities, exchanges, reflection, proposals, consensus-building for a better world, and ending with a “Day of Alliances” to decide on joint actions. In all, it was a mass coming together for a better world and an utter rejection of Davos and its ruling ethos.

#### Latin American Leaders at Belem, Not Davos

On January 29, Venezuela’s Hugo Chavez, Brazil’s Luiz Inacio Lula da Silva, Bolivia’s Evo Morales, Ecuador’s Rafael Correa, and Paraguay’s Fernando Lugo criticized Washington in Belem.

Correa: “The guilty parties in this crisis try to give lessons on morality and good economic handling. The most powerful people on the planet have united to find a therapy for the dying. They’re getting together – the central bankers, the representatives of the large financial firms, the people primarily responsible for the crisis.” They caused it. Can we expect them to fix it? Correa called for a “common project,” a 21st century socialism characterized by justice and efficiency, a return to state planning “for the development of the majority of the people.”

He also attacked US-dominated institutions like the IMF and World Bank: “Using the art of deception they will try to confuse us into thinking the victims are the guilty ones. They are

the ones responsible for the crisis. They are not the ones to give us lessons." Correa should know. He's a University of Illinois-educated Ph.D in economics.

Lula: the global crisis affecting Latin America wasn't caused by "the socialism of Chavez (or the struggles of Evo (Morales)," but by wealthy Western states. It's their crisis, not ours. "And who is the god to whom they have appealed? Why, the state! (They) told us what we need in our poor countries. They thought we were incompetent." Look what they did. In attacking George Bush, he added: "The world cannot elect any more presidents that do not listen to social movements, that do not listen to the people."

Lula is a former factory worker and union leader, yet far from a popular president. Outside the event, several hundred in his United Socialist Workers Party (PSTU) protested his making concessions to bankers, business and Washington, yet doing little to stabilize employment for ordinary Brazilians.

Paraguay's Lugo is a former Catholic bishop and liberation theology adherent. He said his country changed "because of your movements' voices of hope" and quoted from the Guarani people's ancient aspiration that one day a "Land Without Evil" might be created. He added that "Latin America is changing and the hope is the north will change as well. We have seen the economic policies they said were so efficient fail."

Evo Morales used anti-imperialist slogans in condemning American interventionism and its regional military bases. He said "Before you are four presidents - four presidents (Lula spoke separately) who could not be here were it not for your fight. I see so many brothers and sisters here, from Latin America's social movements to European figures."

Hugo Chavez spoke about a new revolutionary path saying social movements have been in the "trenches of resistance" and must go on the "offensive" to create alternatives to global capitalism.

"Just like Latin America and the Caribbean received the biggest dose of neoliberal venom, our continent has been the immense territory where social movements have sprouted with the greatest strength and began to change the world....another world is necessary (and) is being born in Latin America and the Caribbean. Revolutions are no longer guerrilla battalions, no! This is a new revolutionary wave....This year will be hard, we must unite. Our socialism should not be a copy. Our socialism should be a heroic creation....Socialism of our America, a profoundly democratic socialism. This is our path."

For the ninth consecutive year, WSF's participants agreed that "Another World Is Possible." This year it's essential, now more than ever.

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