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| Report from DavosThis letter was "leaked" in February 2003. It's not clear if the leak was intentional or not. After the leak, it was posted on *Slashdot*, as an example of a massive privacy violation. Of course, if the *intent* was to leak it, this isn't true at all. It could even be a total fabrication, laying it on a bit thick with the namedropping. With apologies for the group email... I thought this was interesting enough to pass along. These are the notes from a friend of a friend who writes for Newsday.Adam XXXXXXXXX Director, XXXXXXXXXXXX Environment DivisionXXXX Xth Street, Suite XXX San Rafael, CA 94901 Main Office:415-454-XXXX Direct:415-257-XXXX Cell: 415-305-XXXX Hi Guys.OK, hard to believe, but true. Yours truly has been hobnobbing with the ruling class.I spent a week in Davos, Switzerland at the World Economic Forum. I was awarded a special pass which allowed me full access to not only the entire official meeting, but also private dinners with the likes the head of the [Saudi](http://www.rotten.com/library/history/countries/saudi-arabia/) Secret Police, presidents of various and sundry countries, your Fortune 500 CEOS and the leaders of the most important NGOs in the world. This was not typical press access. It was full-on, unfettered, class A hobnobbing.Davos, I discovered, is a breathtakingly beautiful spot, unlike anything I'd ever experienced. Nestled high in the Swiss Alps, it's a three hours train ride from Zurich that finds you climbing steadily through snow-laden mountains that bring to mind Heidi and Audrey Hepburn (as in the opening scenes of "Charade"). The EXTREMELY powerful arrive by helicopter. The moderately powerful take the first class train. The NGOs and we mere mortals reach heaven via coach train or a conference bus. Once in Europe's bit of heaven conferees are scattered in hotels that range from B&B to ultra luxury 5-stars, all of which are located along one of only three streets that bisect the idyllic village of some 13,000 permanent residents.Local Davos folks are fanatic about skiing, and the slopes are literally a 5-15 minute bus ride away, depending on which astounding downhill you care to try. I don't know how, so rather than come home in a full body cast I merely watched.This sweet little chalet village was during the WEF packed with about 3000 delegates and press, some 1000 Swiss police, another 400 Swiss soldiers, numerous tanks and armored personnel carriers, gigantic rolls of coiled barbed wire that gracefully cascaded down snow-covered hillsides, missile launchers and assorted other tools of the national security trade. The security precautions did not, of course, stop there. Every single person who planned to enter the conference site had special electronic badges which, upon being swiped across a reading pad, produced a computer screen filled color portrait of the attendee, along with his/her vital statistics. These were swiped and scrutinized by soldiers and police every few minutes -- any time one passed through a door, basically. The whole system was connected to handheld wireless communication devices made by HP, which were issued to all VIPs. I got one. Very cool, except when they crashed. Which, of course, they did frequently. These devices supplied every imagineable piece of information one could want about the conference, your fellow delegates, Davos, the world news, etc. And they were emailing devices --- all emails being monitored, of course, by Swiss cops.Antiglobalization folks didn't stand a chance. Nor did Al Qaeda. After all, if someone managed to take out Davos during WEF week the world would basically lose a fair chunk of its ruling and governing class POOF, just like that. So security was the name of the game. Metal detectors, X-ray machines, shivering soldiers standing in blizzards, etc.Overall, here is what I learned about the state of our world:- I was in a dinner with heads of Saudi and German FBI, plus the foreign minister of Afghanistan. They all said that at its peak [al Qaeda](http://www.rotten.com/library/history/terrorist-organizations/al-qaeda/) had 70,000 members. Only 10% of them were trained in terrorism -- the rest were military recruits. Of that 7000, they say all but about 200 are dead or in jail.- But Al Qaeda, they say, is like a brand which has been heavily franchised. And nobody knows how many unofficial franchises have been spawned since 9/11.- The global economy is in very very very very bad shape. Last year when WEF met here in [New York](http://www.rotten.com/library/travel/cities/nyc/) all I heard was, "Yeah, it's bad, but recovery is right around the corner". This year "recovery" was a word never uttered. Fear was palpable -- fear of enormous fiscal hysteria. The watchwords were "deflation", "long term stagnation" and "collapse of the dollar". All of this is without war.- If the U.S. unilaterally goes to war, and it is anything short of a quick surgical strike (lasting less than 30 days), the economists were all predicting extreme economic gloom: falling dollar value, rising spot market oil prices, the Fed pushing interest rates down towards zero with resulting increase in national debt, severe trouble in all countries whose currency is guaranteed agains the dollar (which is just about everybody except the EU), a near cessation of all development and humanitarian programs for poor countries. Very few economists or ministers of finance predicted the world getting out of that economic funk for minimally five-10 years, once the downward spiral ensues.- Not surprisingly, the business community was in no mood to hear about a war in [Iraq](http://www.rotten.com/library/history/countries/iraq/). Except for diehard American Republicans, a few Brit Tories and some Middle East folks the WEF was in a foul, angry anti-American mood. Last year the WEF was a lovefest for America. This year the mood was so ugly that it reminded me of what it felt like to be an American overseas in the Reagan years. The rich -- whether they are French or Chinese or just about anybody -- are livid about the Iraq crisis primarily because they believe it will sink their financial fortunes.- Plenty are also infuriated because they disagree on policy grounds. I learned a great deal. It goes FAR beyond the sorts of questions one hears raised by demonstrators and in UN debates. For example:- If Al Qaeda is down to merely 200 terrorists cadres and a handful of wannabe franchises, what's all the fuss?- The Middle East situation has never been worse. All hope for a settlement between Israel and Palestine seems to have evaporated. The energy should be focused on placing painful financial pressure on all sides in that fight, forcing them to the negotiating table. Otherwise, the ME may well explode. The war in Iraq is at best a distraction from that core issue, at worst may aggravate it. Jordan's Queen Rania spoke of the "desperate search for hope".- Serious Islamic leaders (e.g. the King of Jordan, the Prime Minster of Malaysia, the Grand Mufti of Bosnia) believe that the Islamic world must recapture the glory days of 12-13th C Islam. That means finding tolerance and building great education institutions and places of learning. The King was passionate on the subject. It also means freedom of movement and speech within and among the Islamic nations. And, most importantly to the WEF, it means flourishing free trade and support for entrepeneurs with minimal state regulation. (However, there were also several Middle East respresentatives who argued precisely the opposite. They believe bringing down [Saddam Hussein](http://www.rotten.com/library/bio/dictators/saddam-hussein/) and then pushing the Israel/Palestine issue could actually result in a Golden Age for Arab Islam.)- US unilateralism is seen as arrogant, bullyish. If the U.S. cannot behave in partnership with its allies -- especially the Europeans -- it risks not only political alliance but BUSINESS, as well. Company leaders argued that they would rather not have to deal with US government attitudes about all sorts of multilateral treaties (climate change, intellectual property, rights of children, etc.) -- it's easier to just do business in countries whose governments agree with yours. And it's cheaper, in the long run, because the regulatory envornments match. War against Iraq is seen as just another example of the unilateralism.- For a minority of the participants there was another layer of AntiAmericanism that focused on moralisms and religion. I often heard delegates complain that the US "opposes the rights of children", because we block all treaties and UN efforts that would support sex education and condom access for children and teens. They spoke of sex education as a "right". Similarly, there was a decidedly mixed feeling about Ashcroft, who addressed the conference. I attended a small lunch with Ashcroft, and observed Ralph Reed and other prominent Christian fundamentalists working the room and bowing their heads before eating. The rest of the world's elite finds this American Christian behavior at least as uncomfortable as it does Moslem or Hindu fundamentalist behavior. They find it awkward every time a US representative refers to "faith-based" programs. It's different from how it makes non-Christian Americans feel -- these folks experience it as downright embarrassing.- When Colin Powell gave the speech of his life, trying to win over the nonAmerican delegates, the sharpest attack on his comments came not from Amnesty International or some Islamic representative -- it came from the head of the largest bank in the Netherlands!I learned that the only economy about which there is much enthusiasm is China, which was responsible for 77% of the global GDP growth in 2002. But the honcho of the Bank of China, Zhu Min, said that fantastic growth could slow to a crawl if China cannot solve its rural/urban problem. Currently 400 million Chinese are urbanites, and their average income is 16 times that of the 900 million rural residents. Zhu argued China must urbanize nearly a billion people in ten years!I learned that the US economy is the primary drag on the global economy, and only a handful of nations have sufficient internal growth to thrive when the US is stagnating.The WEF was overwhelmed by talk of security, with fears of terrorism, computer and copyright theft, assassination and global instability dominating almost every discussion.I learned from American security and military speakers that, "We need to attack Iraq not to punish it for what it might have, but preemptively, as part of a global war. Iraq is just one piece of a campaign that will last years, taking out states, cleansing the planet."The mood was very grim. Almost no parties, little fun. If it hadn't been for the South Africans -- party animals every one of them -- I'd never have danced. Thankfully, the South Africans staged a helluva party, with Jimmy Dludlu's band rocking until 3am and Stellenbosch wines pouring freely, glass after glass after glass....These WEF folks are freaked out. They see very bad economics ahead, war, and more terrorism. About 10% of the sessions were about terrorism, and it's heavy stuff. One session costed out what another 9/11-type attack would do to global markets, predicting a far, far worse impact due to the "second hit" effect -- a second hit that would prove all the world's post-9/11 security efforts had failed. Another costed out in detail what this, or that, war scenario Would do to spot oil prices. Russian speakers argued that "failed nations" were spawning terrorists --- code for saying, "we hate Chechnya". Entire sessions were devoted to arguing which poses the greater asymmetric threat: nuclear, chemical or biological weapons.Finally, who are these guys? I actually enjoyed a lot of my conversations, and found many of the leaders and rich quite charming and remarkably candid. Some dressed elegantly, no matter how bitter cold and snowy it was, but most seemed quite happy in ski clothes or casual attire. Women wearing pants was perfectly acceptable, and the elite is sufficiently Multicultural that even the suit and tie lacks a sense of dominance. Watching [Bill Clinton](http://www.rotten.com/library/bio/presidents/bill-clinton/) address the conference while sitting in the hotel room of the President of Mozambique -- we were viewing it on closed circuit TV -- I got juicy blow-by-blow analysis of US foreign policy from a remarkably candid head of state. A day spent with [Bill Gates](http://www.rotten.com/library/bio/business/bill-gates/) turned out to be fascinating and fun. I found the CEO of Heinekin hilarious, and [George Soros](http://www.rotten.com/library/bio/business/george-soros/) proved quite earnest about confronting AIDS. Vicente Fox -- who I had breakfast with -- proved sexy and smart like a --- well, a fox. David Stern (Chair of the NBA) ran up and gave me a hug.The world isn't run by a clever cabal. It's run by about 5,000 bickering, sometimes charming, usually arrogant, mostly male people who are accustomed to living in either phenomenal wealth, or great personal power. A few have both. Many of them turn out to be remarkably naive -- especially about science and technology. All of them are financially wise, though their ranks have thinned due to unwise tech-stock investing. They pay close heed to politics, though most would be happy if the global political system behaved far more rationally -- better for the bottom line. They work very hard, attending sessions from dawn to nearly midnight, but expect the standards of intelligence and analysis to be the best available in the entire world. They are impatient. They have a hard time reconciling long term issues (global wearming, [AIDS](http://www.rotten.com/library/medicine/epidemics/aids/) pandemic, resource scarcity) with their daily bottomline foci. They are comfortable working across languages, cultures and gender, though white caucasian males still outnumber all other categories. They adore hi-tech gadgets and are glued to their cell phones.Welcome to Earth: meet the leaders.Ciao, Laurie  |