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# Corporate criminals, billionaires gather for World Economic Forum in Davos

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The 44th annual World Economic Forum (WEF) began Wednesday, bringing over 2,000 corporate executives, major investors, government leaders, central bankers and celebrities to the Swiss Alpine resort of Davos.

The annual celebration of wealth and avarice follows a bumper year for the world's super-rich. Stock prices and corporate profits surged to new record highs, swelling the bank accounts and portfolios of the financial elite, even as austerity measures, wage cutting and layoffs slashed living standards and threw tens of millions more people into poverty.

On the eve of the forum, the British charity Oxfam released a study documenting the staggering growth of social inequality. Oxfam reported that the richest 85 individuals possess more wealth than the poorest 50 percent of the world's population—*3.5 billion people!*

The Davos conference embodies the emergence of a new global financial aristocracy. In attendance at this year's meeting are 80 billionaires and hundreds of millionaires.

The general tone on the opening day was one of "fragile optimism," according to a survey of attendees. There is a general expectation of more good fortune in 2014. But looming over the festivities there is also fear of the social and political consequences of the naked plundering of society by the elites represented in Davos.

The conference, which goes from January 22 through 25, has officially adopted the title "The Reshaping of the World: Consequences for Society, Politics and Business." It will draw 1,500 business executives, 48 prime ministers and presidents, and the heads of twenty central banks. US attendees include Secretary of State John Kerry, Commerce Secretary Penny Pritzker, Treasury Secretary Jacob Lew and Environmental Protection Agency head Gina McCarthy.

Panel discussions on topics such as "Regulating Innovation," "Closing Europe's Competitiveness Gap," "Higher Education—Investment or Waste?" and "Immigration—Welcome or Not?" are sandwiched between galas and parties for the rich and powerful. As the *Washington Post* quipped, "After absorbing so much info during the day, evenings are your usual party scene, devoted to celebrity-spotting, night skiing and such, and apparently a fair amount of alcohol consumption."

Davos' prestigious Belvedere Hotel alone has ordered 1,594 bottles of champagne and Prosecco, as well as 3,088 bottles of red and white wine, according to the BBC, in order to accommodate "320 parties in five days, its 126 rooms crammed with chief executives, prime ministers and presidents."

The attendees have reason to celebrate. The wealthiest 300 people on the planet saw their net worth grow by $524 billion over the last year, according to Bloomberg News. The Bloomberg article, entitled "Davos Billionaires See Wealth Gains on 2014 Stocks Rally," noted that Bill Gates was last year's biggest gainer, having increased his fortune by $15.8 billion to $78.5 billion, recapturing the position of world's richest person.

The conference was founded in 1971 by German business professor Klaus Schwab, who invited hundreds of corporate executives throughout Europe to what he called the "European Management Forum." But the event, whose name was changed to World Economic Forum in 1987, came into its own in the first period of political reaction under Reagan and Thatcher, growing in tandem with the redistribution of wealth from the bottom to the top.

Among the hundreds of corporate executives at Davos are substantial delegations from banks whose speculative and fraudulent activities triggered the 2008 financial crisis. Goldman Sachs sent eight delegates (including CEO Lloyd Blankfein), Citigroup and HSBC sent seven apiece, and JPMorgan Chase sent six, including CEO Jamie Dimon.

Panelists at a Wednesday forum entitled "Is the International Financial System Safer Now than it was Five Years Ago?" included HSBC Chairman Douglas Flint and Barclays CEO Anthony

Jenkins. Barclays paid regulators $450 million in 2012 to settle charges that it illegally manipulated the world's main interest rate, the London Interbank Lending Rate, or Libor. HSBC paid $500 million to regulators to settle similar allegations and hundreds of millions more to settle charges of drug money laundering.

In its annual "Global Risks" report, the forum listed income disparity as the number one threat, warning that it was the risk "most likely to cause serious damage globally in the coming decade." WEF chief economist Jennifer Blanke, pointing to the 2011 upheavals in Egypt and Tunisia, commented, "Disgruntlement can lead to the dissolution of the fabric of society, especially if young people feel they don't have a future."

International Monetary Fund Managing Director Christine Lagarde struck a similar note in an interview with the *Financial Times*, warning that rising economic inequality "is not a recipe for stability and sustainability." Pope Francis issued a similar warning.

No one at the conference, however, is proposing any social reforms to ameliorate the plight of the working class or redistribute wealth downwards from the top. On the contrary, the watchword is "structural reform," a euphemism for stripping workers of all protections, dismantling what remains of the welfare state, and removing all environmental and health and safety rules that restrict corporate profit.

A survey of 1,344 business executives at the forum by PricewaterhouseCoopers concluded that the top concerns were corporate "over-regulation" and government deficits (i.e., social spending). Seventy two percent of the executives said overregulation was an impediment to economic growth, while 71 percent complained of "excessive" social spending and government debt.