HSC4624: Foundations of Global Health

DAVOS Meeting Video Transcript

NARRATOR: Hard to tell which way the economy is heading. Unemployment eased a bit, but now the DOW is off several hundred points. If you'd like to meet the people who are supposed to repair the state of the world or give a piece of your mind to the bankers who helped get us into this mess, we can tell you where to find a lot of them all in one place. It is a tiny town folded into the Swiss Alps called Davos, a village where you could bump into Bill Clinton, Bill Gates, the head of Google, and the queen of Jordan all waiting in line in a coffee shop.

This year marks the 40th anniversary of what may be the most important meeting on Earth: the world economic forum. A lot of reporters cover the forum, but few get inside. Last month we were given the kind of access that's usually reserved for kings and captains of industry.

(Ticking)

SPEAKER: The story will continue in a moment.

NARRATOR: The world economy is traveling a dark and troubled stretch. But if there is a light at the end of the tunnel, you might see it first in Davos. This is the scene of the world's summit meeting five days each January when 2,500 capitalists, globalists, and futurists --

(Commercial)

NARRATOR: -- discuss the fate of Earth's other 7 billion inhabitants. Within minutes you'll run into billionaire financier George Soros, Nobel peace prize winner Elie Wiesel, computer tycoon Michael Dell, and her majesty Queen Rania Abdulla of Jordan.

I was down in the lobby of the hotel last night and noticed that you were talking to President Clinton, and while you two were talking Bill Gates walked by. I mean, it's that kind of place.

QUEEN RANIA: It is. A lot of work gets done in corridors, in the lobbies of hotels, in the elevators. You just bump into people. We are all stuck together in this place and a lot can get done when you see people from all walks of life.

NARRATOR: Why is it important?

QUEEN RANIA: Because you have a high concentration of some of the best minds in business, technology, politics, all together in one destination far away from everything else.

NARRATOR: At 5,000 feet Davos is Europe's highest town and arguably its best ski resort. But the 800-year-old village has only 1,300 residents, one road in and out, and no airport. It's a tight fit as skiers make way for the high security capital of capitalism.

What is this, your Super Bowl?

MARTIN WOLF: Yes, absolutely. It's place where everybody
that I ever want to meet over a whole year is all gathered
together.

NARRATOR: Martin Wolf is a columnist for the Financial
Times of London who delights in watching the high and mighty
squeezed into Davos.

There aren't enough tables and restaurants. There aren't
enough hotel rooms.

MARTIN WOLF: Oh, well, that's part of the thrill. It is
the only place where these really powerful people are made to be
very inconvenienced. Just about the only place in the world the
really powerful, really rich men, mostly men, a few women, can
actually behave like normal people.

NARRATOR: We were here a few days before the forum started
and it looked like they were setting up for a rock concert.
What goes into this?

MARTIN WOLF: Just the program. There are all the lunches
and dinners and hotels, the travel programs, security, which is
obviously a nightmare. I mean, they have brought together
everyone in the world that the terrorists would want to kill.
It is an enormous organizational project.

NARRATOR: They suffer the indignities to attend the
seminars of The World Economic Forum, more than 150 expert talks
on things including financial risk regulation, viruses, US/China
relations, and the global economic outlook, plus rural poverty
and even life on other planets.

At the last minute the forum this year pushed the world's
greatest disaster to the top of the list.

We ran into Bill Clinton who flew 10,000 miles round trip
just to spend a day pitching his Haiti relief campaign.

What is your message to the forum?

PRESIDENT CLINTON: Every person at this forum should ask
themselves what they can do and whether they, particularly the
business leaders, will they join the business leaders we've
already put together in building a future. We're going to try
to help do it.

NARRATOR: It's worth coming all this way to be at this
meeting?

PRESIDENT CLINTON: Absolutely. Well, it is if some of
them come across. I think so. This is where a lot of the
people are with the expertise, the capacity, the desire, and the
money to make a difference here.

NARRATOR: Good luck, Mr. President.

PRESIDENT CLINTON: Thank you, Scott. I'm glad to see you.

NARRATOR: He's here because this is where the money is.
The business of Davos is business.

What do billionaires talk about behind closed doors?

SIR MARTIN SORRELL: I wouldn't know. I'm not a
billionaire.

NARRATOR: Maybe not a billionaire, but Sir Martin Sorrell
did assemble the world's largest advertising agency, WPP, with
140,000 employees.

Why is this worth it to you?

SIR MARTIN SORRELL: To be brutally frank about it, we have a large number of our clients here and a large number of people who want our clients. To use that terrible phrase, from a networking point of view, it is a little bit like, if I can put it like this, shooting fish in a barrel.

NARRATOR: And exotic fish at that. Davos is invitation only. Corporate memberships cost from $30,000 to $500,000, and then it's 18 grand each for the coveted white badges that grant entry and are worn like jewelry.

You know, I've noticed that there's something that I like to call the Davos glance. When you meet someone, they do not look you in the eye, they look you in the chest.

SIR MARTIN SORRELL: (Laughing) Well, no. They look you in the eye first, then they down at your chest. The other thing they do is look over your shoulder for the next one.

NARRATOR: To see who else is coming in the room?

SIR MARTIN SORRELL: Exactly.

NARRATOR: The A-listers in the room included 28 heads of state and about a thousand CEOs, all lining up to see one man, a little known German business professor who started the forum back in 1971. Professor Klaus Schwab greets Presidents and rock stars. But as we tried to catch up with him, Schwab told us that titles don't matter at his forum.

PROFESSOR SCHWAB: You have to send your ego home and you re-find it when you come back.

NARRATOR: But not here?


NARRATOR: After 40 years, Schwab is still the head of the nonprofit foundation that stages the forum.

Your office is behind the Xerox machine and the coffee maker.

PROFESSOR SCHWAB: Exactly. We are very tight.

NARRATOR: His forum works like nothing else in part because it isn't formal or official. It turns out people who can't be seen together in public can meet here.

In 1989, North and South Korea spoke for the first time at Davos. When the Berlin wall fell, German unity started at Davos. In 1992, Mandela and de Clerk began the conversation that ended apartheid.

Queen Rania of Jordan told us that waring factions in the Middle East meet here when no world power can push them together.

An Arab and an Israeli could run into each other in the hallway in this hotel.

QUEEN RANIA: Absolutely, absolutely. And not feel that they have to pander to, you know, media or to their -- or to be politically correct. They can actually deal with the core issues at hand. God knows that we need all the help that we can
get with the Middle East peace process, because at the moment it's still a deadly stalemate and people are beginning to lose hope.

NARRATOR: Her Majesty knows strategic territory when she sees it. She's been coming to Davos for six years. You're a bit of a pro when it comes to working Davos. Tell me how that happens.

QUEEN RANIA: A lot of the work is done just sitting in the cafeteria in the Congress Hall and just seeing people pass by and discussing things.

NARRATOR: The Queen hangs out in the cafeteria?

QUEEN RANIA: I enjoy hanging out in the cafeteria. I'm going to do it this afternoon, actually. It's fun.

NARRATOR: And sure enough, that's where we found her promoting her project to build classrooms for the 72 million kids in the world who have no school. The woman on the right is Melinda Gates, the richest woman on Earth. Imagine what that conversation is like.

Klaus Schwab told us that Davos is where Melinda's husband, Bill Gates, first met with World Health Organization and got the idea to give away billions for immunizations.

PROFESSOR SCHWAB: They became aware probably of the need to act particularly in this field.

Scott, I have to rush down to Korean President.


PROFESSOR SCHWAB: I have to introduce him. See you later.

NARRATOR: Off you go. See you later.

How did Schwab pull this together?

SPEAKER: Well, I think he had the vision. Like everything in life, you have a strong vision.

NARRATOR: But he didn't exactly pull this together with the force of charisma.

SPEAKER: I think that's a little bit off (laughing).

NARRATOR: You know what I mean.

SPEAKER: If he had been a larger-than-life character or personality, which is the sort of thing you are getting at, maybe he wouldn't have been able to do this.

NARRATOR: It turns out there are two Davoses: one you see and one you don't. After hours and behind the windows, there are hundreds of private parties where deals are done. We got a look behind the door at a dinner hosted by the executive recruiting firm Heidrick & Struggles. Davos makes a pointed of inviting new companies with bright ideas, and this table paired investors with Alan Barton who has a new way to make building materials out of old tires.

When you leave here, what are you going to have that you didn't have before?

ALAN BARTON: Plenty more contacts, some people that you can work with, people you can call, people that have been through some of the same challenges and might have solved
problems that you're trying to solve.

NARRATOR: One of biggest connections that Klaus Schwab ever made was when he first invited a little company with a silly name, Eric Schmidt is chief executive of Google.

ERIC SCHMIDT: Davos is the one place where all of the pieces of the tech industry assemble, all the telecommunications, all the hardware, all the software. Remember, we all need each other. We never meet anywhere else in the world.

NARRATOR: When Google was in its infancy, was Davos important to its growth?

ERIC SCHMIDT: Davos matters to companies at a certain scale. As a small company, you get your product, you have a local market, no problem. There is a point at which you need to be able to reach globally. There's a point at which you need to talk to all the other companies. At Davos you can do that. That was very helpful at the time for us.

NARRATOR: It's an accelerant, if you will, when you come here to the global stage?

ERIC SCHMIDT: Absolutely.

NARRATOR: What is the coolest thing that's happened to you in all your trips to Davos?

ERIC SCHMIDT: Probably the Audi Challenge.

NARRATOR: One of few diversions set up for the week is a racetrack. It's all very serious business, but there's one thing about being in the room with some of the leading experts in the world - it can be pretty dull. So some of the CEOs come out here to the Audi test track to drive insanely on the ice. The Audi people say the CEOs can clear their minds.

Whoa, there goes a cone.

But this year no one wanted to be seen having fun given the spinout of the world economy.

The talk in this closed door meeting was about clamping down on the world's banks. Bank regulation was a major theme that wouldn't have drawn much of a crowd a couple of years back.

Two years ago there were economists here at Davos who predicted the great economic crisis that we found ourselves in, but it doesn't seem like anybody was listening then.

PROFESSOR SCHWAB: It's a little bit like in church. The person who gives the sermon on Sunday, you cannot keep responsible for what the church-goers do on Monday.

NARRATOR: Klaus Schwab's sermon on the mount is meant to bring social conscience to the pursuit of money. His disciples come to the mountaintop year after year because the world is constantly changing and there may be no better place to make a deal.

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CERTIFICATE OF TRANSCRIPTION

I hereby certify that the foregoing transcription is a true and accurate verbatim record of the recorded proceedings.

KERRY MERCADE, CSR
813.404.2488, www.HRICART.com