

# Climate change “spin” as Davos gathering confronts mounting environmental and economic crisis

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The World Economic Forum (WEF), which holds its annual meeting this week in Davos, Switzerland, has tried in recent years to feign concern about the welfare of society as it brings together the ultra-wealthy, government and media representatives and the heads of major corporations to defend the profit system. This year’s gathering is no exception.

It will focus on the issue of climate change under the headline “Stakeholders for a Cohesive and Sustainable World” with one session entitled “Averting a climate apocalypse.”

In an endeavour to promote the organisation’s “progressive” credentials, WEF founder and executive chairman Klaus Schwab has called on corporate chiefs to “show leadership” and commit to achieving zero greenhouse gas emissions by 2050 or sooner. The WEF has lined up a group of climate change activists, including the Swedish teenager Greta Thunberg, to address the participants on the need for urgent action.

As a pointed comment by a *Financial Times* columnist put it: “The hills are alive with the sound of environmental spin.”

The WEF’s own assessments make clear, however, that nothing can or will be done to halt the mounting climate disaster within the framework of the capitalist, nation-state system that the forum defends in the face of rising global social opposition.

In a briefing paper on the zero emissions challenge, the WEF cited a November 2019 report from the United Nations which showed that four years since the Paris Agreement, global emissions had risen by 1.5 percent per year over the past decade, with no signs of peaking. This occurred under conditions where a reduction of 5 percent per year is needed just to limit

global warming to 1.5 degrees C. If the present trajectory continues, it noted, the world is projected to warm by 3–5 degrees C by the end of the century “with catastrophic effects on human civilization.”

But as the WEF report acknowledged, the deadline is much closer. It stated: “The coming decade will decide whether humanity can achieve the goal of limiting warming to 1.5 degrees C. Without a meaningful reduction in emissions in the next five years, the ability to act will increasingly be lost, resulting in damage that could become irreversible.”

The world, it said, needed “cohesive and swift international action.” But this remained “wishful thinking” and so individual governments and corporations “can and should move ahead with unilateral initiatives.” Such a prospect remains as far-fetched as international collaboration.

As the report noted, so far only 67 countries, none of them among the top five emitters, have committed to the goal of achieving net zero carbon emissions. It acknowledged that “most countries with this commitment have not enacted sufficiently robust policies to attain the emissions reductions required.”

There is even less prospect of this reduction being achieved through the actions of individual corporations. Of the millions of corporations worldwide, only 7,000 disclose their emissions to CDP, a global monitoring organisation. Of those that do report, only a third provide full disclosure, only a quarter set any kind of emission reduction target, and just one in eight reduce their emissions year-on-year.

Even when companies do report on targets, there is no common measure. The report stated: “As a result, to date no robust way of benchmarking corporate global

climate action exists even among industry peers. This lack of transparency suggest that companies may be providing window dressing and doing very little to reduce emissions in reality.”

The WEF’s call for “stakeholder capitalism” in which corporations, according to Schwab, should act not just as profit-seeking entities but as “trustees of society,” is a pipe dream.

As the WEF report admits, there is little or no pressure from investor finance, the chief driver of corporate decision-making, for action on emissions. It states: “In one-on-one interviews, CEOs say the pressure to deliver short-term returns by far exceeds any demands for long-term decarbonization.”

The mounting social and protest movements over global warming are not the only concern of the WEF. Its *Global Risks Report* points to the downward pressure on the global economy from “macroeconomic fragilities and financial inequality” that continued to intensify throughout 2019, increasing the risk of economic stagnation as “rising trade barriers, lower investment and high debt are straining economies around the world.”

It noted in its assessment of global risks that compounding the economic factors is “widespread discontent with current economic systems, perceived to be rigged and unfair.”

The WEF commented that “Profound citizen discontent—born of disapproval of the way governments are addressing economic and social challenges—has sparked protests throughout the world, potentially weakening the ability of governments to take decisive action should a downturn occur.”

The conclusions are not specifically drawn. But what is being pointed to here is that the kind of “decisive action” taken in 2008–2009, when governments and central banks handed out trillions of dollars to finance capital and imposed austerity conditions on the mass of the population, may provoke mass social opposition and social revolution if repeated in response to another economic and financial collapse. And the signs of such a collapse are becoming ever more apparent.

Among other things, the report points to the replacement of “moderate but stable growth” with what the International Monetary Fund has called a “synchronized slowdown.” This includes a decline in investment, a contraction in international trade, rising

corporate debt as a “key vulnerability” in the international financial system and the “economic confrontations between major powers.”

The continuation of interest rates at historically low levels and their further reduction in 2019 has increased the risk that “the tools available to brake economic slides may no longer be available” while also raising concerns “about the soundness of banking systems.” Interest rate cuts have helped economic growth but “they have also fostered higher debt and riskier rent-seeking which affect financial market stability.”

The picture presented by the WEF’s own analysis is of a socio-economic system heading for catastrophe on every front for which the ruling elites gathered at Davos have no answer and which their policies will exacerbate. It will not be prevented by the fiction of “stakeholder capitalism” but through the enactment of the only realistic agenda: the conscious political struggle of the working class for a higher social order, that is, international socialism.



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