

# Davos Diary Day 1: world's elite divided

Mal Siret

Thursday January 26 2012, 8.16am, The Times

Share



Save



• Speaking in advance of her address to business leaders and policymakers, the German Chancellor, Angela Merkel, rejected as unfounded the stereotypes of a domineering, dogmatic Germany “whose economic strength is hindering growth in the rest of Europe”.

Ms Merkel said that Berlin does not have unlimited resources to bail out the struggling eurozone. “There are lazy Germans and hard-working Germans, left-wing Germans and conservative ones,” she said. “There are those who support competitiveness and those who want redistribution. We should bury the old stereotypes.”

The German Chancellor has been lampooned in newspaper cartoons and protest banners across Europe as a Nazi and a dominatrix, but above all in Greece, for demanding fiscal discipline as a condition for financial aid.

• The world's elite were divided at their annual huddle in Switzerland over Barack Obama's threat to raise taxes of the top 1 per cent of the US population in his State of the Union address on the eve of the Forum.

Will policies that target the wealthy hurt growth? Is the President right to address capitalism's imbalances?

ADVERTISEMENT

Mr Obama has promised a fairer America in which the wealthiest pay their fair share of taxes.

Many of the wealthy at Davos made clear that they do not like being in the US President's crosshairs. "I don't think any presidential election in the history of America has been won on the politics of envy," said a senior managing director of investment firm Blackstone Group.

- President Obama has also declared, for the first time, that the United States has a national security interest to protect the nation's economic goods against terrorists, criminals and natural disasters in all corners of the globe.

The new policy, unveiled in Switzerland, is called the "National Strategy for Global Supply Chain Security," according to a White House document.

SPONSORED

---

It says that potential economic threats to goods dependent on supplies from beyond US borders are now a matter of national

security and that the Government must “resolve threats early”.

- Dr Gerard Lyons, chief economist at Standard Chartered, before speaking at the Clifford Chance lunch event on “the eurozone and the rest of the world”, said that the euro is flawed and can not survive.

“Decided to escape from talking about the euro and sat in on a nice easy session, The Future of Economics. Good news is that there is one,” he tweeted.

Dr Lyons went on to say that there was agreement from the panel that Behavioural Economics is the future, “also complexity and happiness economics and asking people directly,” he added.

#### ADVERTISEMENT

He reported that Nobel economists could not agree what had gone wrong with economics, “I would say not enough history and too much belief in models.”

- Paul Polman, chief executive of Unilever, warned of higher food prices and called for a curb on commodity speculation. He added that food security is key as one billion people around the world go to bed hungry every night.

- David Rubenstein, co-founder and managing director of Carlyle Group, said that leaders must work fast to overcome the

current crisis or they may find that different models of capitalism, such as the form practised in China, will win the day.

“As a result of this recession, that’s lasted longer than anyone predicted and will probably go on for a number more years ... we’re gonna have a lot of economic disparities,” he said.

“We’ve got to work through these problems. If we don’t, in three or four years ... the game will be over for the type of capitalism that many of us have lived through and thought was the best type.”

## Comments for this article have been turned off

Comments are subject to our community guidelines, which can be viewed [here](#).

 [BACK TO TOP](#)

[The Times](#) [The Sunday Times](#)

---

### GET IN TOUCH

---

- [About us](#) Cont:
- [Help](#) The T
- [The Sunday Times Editorial Complaints](#) Place
- [Classified advertising](#) Displ:
- [The Times corrections](#) The S
- [Careers](#)

---

### MORE FROM THE TIMES AND THE SUNDAY TIMES

---

- [The Times e-paper](#)
- [Times Currency Services](#)
- [Times Print Gallery](#)
- [Times Crossword Club](#)
- [Times+](#)

[Times Expert Traveller](#)

[Schools Guide](#)

[Best Places to Live](#)

[Sportswomen of the Year Awards](#)

[Podcasts](#)

---

© Times Newspapers Limited 2022.

Registered in England No. 894646.

Registered office: 1 London Bridge Street, SE1 9GF.

[Privacy & cookie policy](#)

[Licensing](#)

[Cookie settings](#)

[Site map](#)

[Topics](#)

[Commissioning terms](#)

[Terms and conditions](#)