



# just power **2011**

"Just Power", the topic of the 41<sup>st</sup> St. Gallen Symposium, is a catchy title, but not a simple subject. Power always has a back story and consequences. It is often useful, but rarely used equitably. Power is fragile and thus valuable. It is nothing people should trifle with. It is never "just" power.

## The Illusion of a New Kind of Power

Since the dawn of time, power has fascinated and attracted people. Those who had power could dictate and enforce their interests. Power was once implemented by strength, then using money, influence and even inheritance. But what is power today? Dennis Sand and Anna-Lena Krampe search for answers.

The news echoed around the world: Osama Bin Laden, founder of Al-Qaeda, had been shot dead by US forces in his hiding place in the Pakistani town of Abbottabad. The world held its breath, even if just for a moment. And then a wide range of human emotions were triggered. From happiness and relief to profound hate, the arranged killing of the world's most wanted man affected everybody.

Regardless of whether the mission was legitimate

according to international law, the US intervention had another implication: It was one last big demonstration of absolute power, the power of a nation to track a human being down on the other side of the world and eliminate him. The power to rule over life and death.

This military form of displaying power seems strange, even archaic. But it also demonstrates how much the implementation of power is still driven by its original notion of force despite all of the social changes the world has undergone within the last centuries. However, there seems to be an unspoken consensus in intellectual circles that the last traces of imperialistic politics should be banned in favour of a mutual dialogue. There is a growing realisation that we can only solve the complicated and networked problems of our globalised world in co-

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operation, with rationality, reason and multicultural accord in the spirit of the European virtues of the Enlightenment.

We live in times of important reorganisation. The coordinates of power seem to be shifting. It is a process conditioned by the cultural revolution in the Middle East, a process of democratisation accelerated by the internet and an increasing economic inequality. Today's wars are not decided on the battlefield, but on the international stock

market. Attacks on countries are no longer physical but virtual. The shift online extends everywhere. Sometimes,

it seems as if our whole life is digital. Whether it is our personal contacts and friendships or our bank payments, our reality is slowly moving online.

In this light, the death of Osama Bin Laden was even more shocking, because it demonstrated an unvarnished, archaic and brute use of force. The man who used to be a phantom of fear, communicating in videos and taped speeches broadcasted on the internet, now became manageable. The emotions people felt after learning about his death were in large part due to the realisation that the old, hierarchical structures of power still dominate our lives. The bullet that struck down Bin Laden was a reminder that old-fashioned power – the kind that



has nothing to do with flat hierarchies and Facebook – is still a force to be reckoned with.

At its most basic, power is about the encounter between two people, one weak and one strong. Yet over time the simple evolutionary thought of the survival of the fittest and physically strongest developed into a highly complex construction, with power resting in the hands of a few who inherited it.

A first change of mentality was triggered by the French Revolution. Power lost its legitimacy as the gap between those in power and those living on the streets, yearning for their daily bread, became too big to handle. Since then, Western history can be seen as a negotiation of power relations. The great issues of the 20<sup>th</sup> century – communism, fascism, capitalism and the like – were forms and ways of experimenting with the distribution of power.

The digital revolution reversed these power relationships again. Suddenly, people have the tools to organise their power. The internet creates a new kind of grassroots democracy. "Liberté, Égalité, Fraternité" – the keywords of the French Revolution – could be those of the internet community. The digital revolution has shifted the coordinates of power yet again.

But does this shift represent nothing more than a backshift of power into the hands of a few? The internet offers a

platform for flat hierarchies. But who's creating the platform? As big players, like Facebook and Google, bare their teeth and become more and more influential, the foundation on which the dream of a new, global distribution of power is built becomes unsteady. The internet of many is in the hands of just a few: Though many people organised demonstrations on the streets of the Arab world, it took just a few to turn off the internet and cripple their efforts.

There are even signs that Western Europe, the birthplace of the Enlightenment, is tiring of the chaos of democratic politics. In political science, this phenomenon is referred to as "post-democracy". The demand for clear structures and powerful leaders has made it possible for the Italian President Silvio Berlusconi to hang on to power and yielded a fascination with monarchies.

As it did centuries ago, true power today is in the hands of a few, admired by many. The difference is that these few do not reveal themselves. That is why there is a strong desire to give responsibility a face. One of these faces was Osama Bin Laden, ever aware of the impact of pictures and personality. How much power Bin Laden still had in his terror organisation is a question still under discussion. How significant the picture of power he created really was can be witnessed from the global reaction to his killing. <

## Inside the Limo

As soon as the St. Gallen Symposium's guests arrive at the Zurich airport, they are greeted by the transport team and driven to their final destination. But what happens during the one hour journey to St. Gallen? Alina Stiegler and Pia-Luisa Lenz accompanied driver Nico Lalli for one evening.

"There are two types of guests," Nico Lalli explains while he carefully navigates a dark BMW limousine towards the Zurich airport. "Some will just have a short chat with you and continue to work, while with other guests an actual conversation develops." Lalli studies International Affairs at the University of St. Gallen, and this is his fifth time working as a volunteer at the symposium.

The student is part of the transportation team, made up of 68 students doing their best to bring guests from the airport and hotels to the 41<sup>st</sup> St. Gallen Symposium. Every guest is different – so are the conversations. Some want to be left alone, others are curious about the

students and the university. Some are constantly on the phone, others deliberately choose to sit up front, next to the driver. Even CEOs sometimes talk about their personal lives, Lalli says.

The 25-year-old student has his own approach towards his important cargo. "First I'll ask them about their trip and then I quickly see what kind of guests they are," Lalli explains.

His job has a lot of side benefits, too. "You not only get to drive beautiful cars, you'll meet a lot of interesting people and sometimes get to know them a little better." From colleagues he has heard that during the one hour drive between St. Gallen and Zurich actual job offers

have been made: "One of my fellows got the opportunity to be an intern at the Swiss embassy in Australia."

Lalli's day started early. By 8:00 p.m., he has already been working for 14 hours, with just a few short breaks. His last guest is Dr. h.c. Peter Day. "I only know that he is a journalist from BBC and that he arrives from London," Lalli admits.

By the time Day walks towards Nico Lalli with a big smile on his face, it is 9:30 p.m. They greet each other warmly. "Did you have a nice trip?" asks Lalli, simultaneously taking care of the luggage and opening the door of the big black BMW 7 Series for the BBC business

correspondent. It is soon clear that Peter Day definitely belongs to the communicative group of passengers.

Day tells Lalli he has been coming to the St. Gallen Symposium for more than ten years. At first he came as a journalist, covering the event. Today, he is one of the Topic Leaders and has a very important

role. The next morning, he will begin preparing the Leaders of Tomorrow for the symposium. "I will only ask them two questions," Day explains. "What do you want to do with your life? And

what power do you have in life?" After ten minutes of talking, Day suddenly looks into the eyes of his driver in the rear-view mirror. "What do you want to do with your life?" he asks. Lalli seems to be prepared

for this kind of question. "I would like to work for a big Swiss company when I have finished my master's degree in St. Gallen," he answers.

Day nods, interested. "All good things in my life happened because of emergencies, so you don't have to worry," Day says, and goes on to tell Lalli a bit about

his own career. The talk turns to the media business in general. "How can newspapers exist in the future, anyway?" asks Lalli. "That is the big problem," answers Day. "Nobody knows."

Before they could solve the big questions of the media business, they arrive at the hotel in St. Gallen. Day gets out of the car and thanks his driver by handing him his business card. "Have a good night," he says and walks directly to the hotel lobby. Lalli gets back in the car and heads home – he has another long day tomorrow, too. <

Peter Day on his way to St. Gallen, accompanied by Pia-Luisa Lenz.





## changing markets

Economic markets are constantly evolving systems. It is the task of economic and political leaders to adjust to new transformations and developments. Nowadays, that is a tremendous challenge, especially as the centres of economic power shift. Countries such as China and India have gained more and more significance within the economic world and set a rapid pace for technological developments. In fact, there is a shift of economic as well as political power. The difficult truth is the world is in motion and change will never stop.

## Rising in the East

Power has always been the basis of political interaction and economic relationships. The world has to cope with the new relevance of the BRIC-countries and the Arab world. A constant change of power structures is clearly visible. Ricarda Twellmann reports on the economic power shift of the 21<sup>st</sup> century.

The battle between capitalism and socialism has been the central economic and political theme of the 20<sup>th</sup> century. For example, China was under the influence of Mao, Latin America had its socialist ideologues and Europe was the birthplace of Marxism. The sides were very clear. There was capitalism with private property rights and respect of individual freedom on one side, and on the other there was socialism, with state control and economic planning. In the end, capitalism turned out to be the winner. The result is the emergence of countries freed from socialist ideology that are now acting very successfully on the markets. How should companies respond, and how must global institutions adjust?

For Oswald Grübel, the Group Chief Executive Officer of Swiss financial services company UBS AG, power is all about money. "Normally, power is going where the money is going," says Grübel. According to him, within the last decades the West has retained its power by creating hundred of millions of jobs in developing countries by outsourcing a cheap production. Furthermore, the Western world encouraged the so-called global South to produce new products with Western money and to invest their profits in Western treasury bonds. This

process changes the economic situation in countries like China or India, but Grübel says this is only a temporary phenomenon. "We are already surprised that this growth lasted as long as it did," he says.

The last financial crisis has changed the markets tremendously. As a result of the crisis, liquidity had to be increased, which meant increased capital requirements for banks. Grübel criticised the attempt to constrain the

financial world with higher capital requirements. But despite the crisis, the banks are still very powerful. Grübel suggested that in 2019 you will have over-liquid and over-capitalised banks. According to the UBS-chief the next ten years will be very important. For him it seems pretty obvious that global growth cannot be consolidated if financial institutions lose power.

For Dominic Barton, Global Managing Director of McKinsey & Company, there are several factors which strongly influence the economic power shift taking place. One of them is urbanisation. "This is the first time in human history that a lot more people are living in the cities than in rural areas and that is continuing in an incredible pace," says Barton. That affects 1.3 million people a week. Thus far, nobody has been able to stem

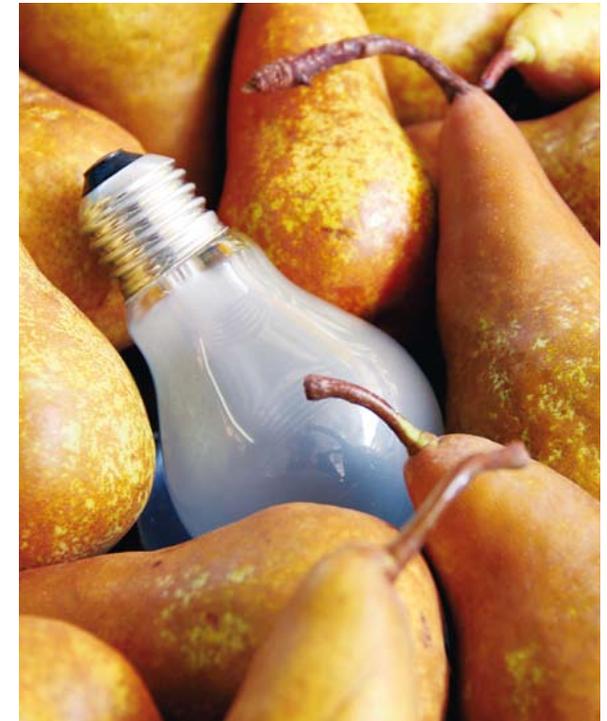
that tide. Urbanisation is leading to productivity improvements, and a shift in how economies function. Furthermore, within the next 15 years a lot of cities we have never heard of before will change and gain importance – and most of them will be Chinese. Another aspect is the shift from a manufacturing economy to a consumption-oriented one. This is mainly observable in countries like India, China or even Vietnam, where consumption represents about 38% of GDP, in comparison to 75% in the Western world. A third big driver is education, which is gaining more and more significance in many of the Asian countries. In the long run, this will lead to improved human capital and innovation.

But there is not only an economic power shift towards Asia. There is also a political power shift towards these states. "Countries such as China and India are realising that they have greater influence," says Al Jazeera Anchor Riz Khan. "Their growing economic power has given them much more political clout." Barton noted that a lot of South American countries are increasingly shifting their diplomatic efforts from Europe to Asia. That is documented by the number of new consulates in that area.

In addition to all these developments, the economic world also has to deal with the political power shift created by the

uprisings in the Middle East and North Africa. According to Dr. Nasser Al Saeidi, the chief economist of the Dubai International Financial Centre Authority, three of the last five global recessions were caused by geopolitical discord. The revolutions in the Middle East are strongly influencing the stock markets in the West. Just in the last few weeks, for example, petroleum prices have risen. On top of that, traders have to struggle with increasing inflation.

So what will global players look like in the future and how will they use their power within the changing markets? According to Barton, the BRIC-countries (Brazil, Russia, India and China) along with Africa and some South American states, are going to play a bigger role and are getting more international. "But all these states still rely on the rest of the world," Barton says. "China, for example, requires the US consumer for its growth. The resource question will create a lot of tension in the future." <



## Shattering the Glass Ceiling

It is still rare to find women in top management. The need for a gender quota has been debated in different European countries for years. Pia-Luisa Lenz talked to Floriane de Saint Pierre and Alexandra de la Martinière, the founders of a diversity watchdog group, about gender quotas and corporate boards.

"I want to become part of a board because of my skills," says Floriane de Saint Pierre. Yet as co-founder of the France-based watchdog group Ethics and Boards, de Saint Pierre knows that quotas have become a powerful tool to achieve diversity. "Quotas are a necessity to really make things evolve, as we see in many countries," she says.

For de Saint Pierre, the economic crisis has revealed the important role of boards of directors and supervisory boards towards the fulfilment of a company's objectives. That is why de Saint Pierre and her friend Alexandra de la Martinière founded Ethics and Boards, the first international corporate board watchdog group providing information on companies listed on major stock markets, in 2010. "We are doing quantitative, qualitative and comparative analyses to find out how a board should be constituted to be strong and work well," says de Saint Pierre. "One of the main issues of our work is diversity and the gender question."

Women all over Europe were allowed to attend the best business schools beginning in the mid-1970's. Ten years later, there were as many women as men in the top European MBA and economics programs. 25 years later, there should be a talent pool of highly qualified men and women, because men and women were educated in equal numbers. Yet fewer than 10% of corporate

board members in France are female.

It does not look any better in Germany: According to a survey by the Hans Böckler Stiftung, only 17 out of 160 top-ranked companies employ women on their boards, and only 21 out of 668 top positions are held by women. That is less than 4%. These numbers correspond with the numbers of India and are lower than in Russia, Brazil or China.

It seems like men continue to be in control of all the serious decisions made in publicly traded companies in Germany. Even though women have always worked, the around-the-clock availability demanded by many modern companies is still not compatible with family life and seems to be men's business. "There is a whole misperception that women should stay at home when the baby is born," says de la Martinière, president of Ethics and Boards.

But taking the gender issue seriously does make things happen. The percentage of women on the Board of Directors of CAC (Cotation Assistée en Continu) 40 companies in France increased from 10% to 16% in 2010. At the end of 2010, France passed a bill that provides for a balanced gender representation on boards of large companies. The law requires boards to include at least 20%

of each gender within three years, and 40% within six years.

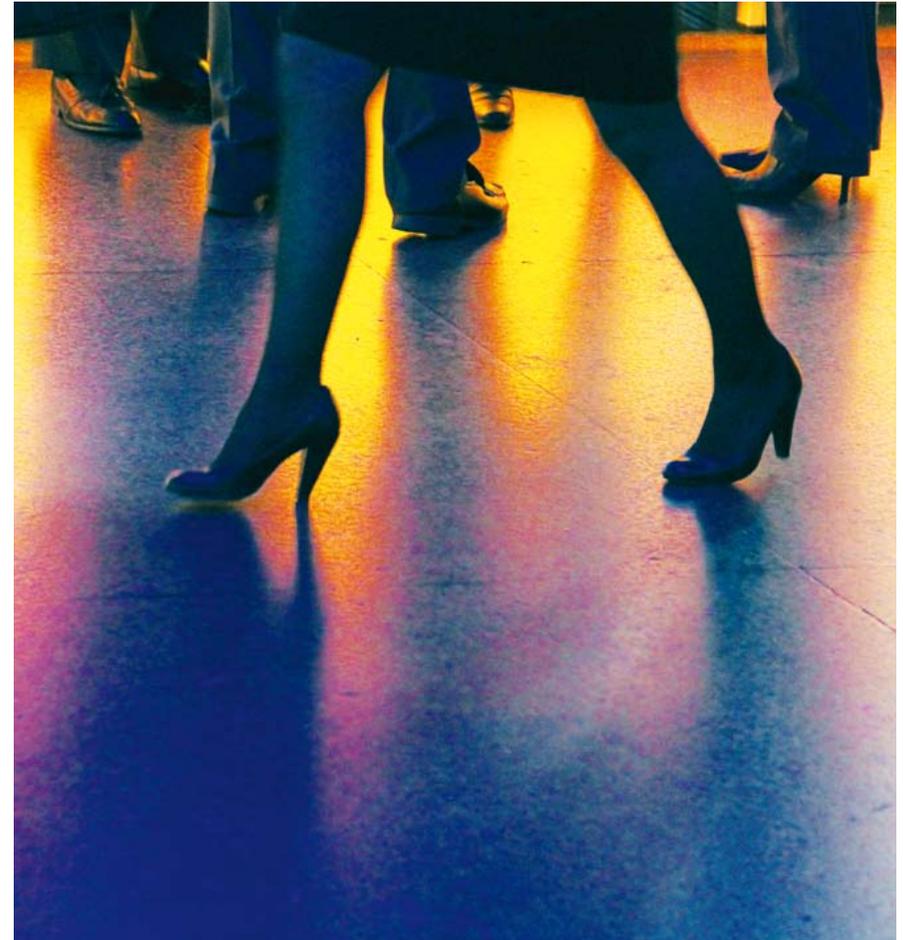
There is a similar approach in Norway, where a bill requires their 370 publicly traded companies to fill 40% of seats on the board of directors with women. A quota has also been set for corporations in Spain and the Netherlands. Germany is still far behind the rest of

Europe in terms of the number of women in top positions. "The state has to support women in every

single area to make a real change happen," says de Saint Pierre, who heads one of the leading worldwide operating executive search firms for the luxury brands sector (Floriane de Saint Pierre & Associés).

A survey by McKinsey & Company shows that businesses with a high number of women on their boards are more successful. For de Saint Pierre and de la Martinière, diversity in general is the key to a stronger board. But the male-dominated business culture is not going to change if companies only employ a few women in their top positions as they do today. <

"There is a whole misperception that women should stay at home when the baby is born."



## “Art is a will to reform”

With branches in New York, Bilbao, Venice and even Berlin, the Guggenheim is not just a museum. It has become a brand, exporting its idea of art all over the world. Dennis Sand talked to Richard Armstrong, the head of the Solomon R. Guggenheim Foundation, about the power of art and the increasingly commercial art world.

**Mr. Armstrong, how much influence does building a museum in Abu Dhabi have on the local art scene?**

Well, I think it will galvanise the local art scene. There is already a very large community of artists, many of them exiles – Iranian exiles in particular – in nearby Dubai. As the economy gets more and more oriented towards surplus and people become more and more wealthy, then it becomes a bigger attraction to become an artist, as a profession or an avocation. The museum will be a big artistic expression: Local, and sometimes powered by exiles but in a very local fashion.

**So the museum will give power to the local art scene?**

Yes, definitely. And it is doing that in two ways. One is by showing and purchasing and collecting the works of good contemporary art by artists in the region. But the other way is by demonstrating to people from outside the region what is going on in the Middle East from 1965 onwards. So it is helping change western-based ignorance.

**What is this ignorance based on?**

It is no more about the West's ignorance about what other places have produced. So when I say to you that there were important artists in Cairo 1967, even if you are a specialist in the region

you might ask: Who are they and why have I never seen that? This museum will help show that they exist and help people to see that there are very special artists also in Beirut and Aleppo and Damascus. And now I can show how they do or do not connect with what is going on in Paris, London, Mexico City and Buenos Aires at the same moment. So I think what is interesting about the Abu Dhabi museum is it offers an important pivot point to consider creativity across many, many cultures and borders.

**But you do not see the danger of creating an artificial art scene by bringing a museum like the Guggenheim to a region like Abu Dhabi?**

“Let us say that many doors are opening, and let us hope that lots of people go through these doors.”

Museums can not do that. Art scenes are only viable in their organic environment. By that we mean, that they are populated by lots of people who will be fighting with each other over ideas and attention and ambition.

**And a big project like the one you have planned would not attract those people?**

No. Museums nurture those people who are there that really come from the creative community itself.

**There is a simple economic rule: demand creates supply. Has this happened in Abu Dhabi?**

There is more demand around the world for contemporary art than previously. So supply now is just a reaction to that. There are many more artists than there might have been 15 years ago in the world, and many more opportunities for them all. So we're looking at more things and more opportunities than previously. Abu Dhabi I would say is relatively small, with a small population and an even smaller population of artists.

**“Art is the daughter of freedom,” Friedrich Schiller said. Are you opening the museum in Abu Dhabi just in time for the “Arab Spring”?**

Yes, people in the region have a change of attitude and possibilities. And we are happy to participate in that.

**Did you play a role?**

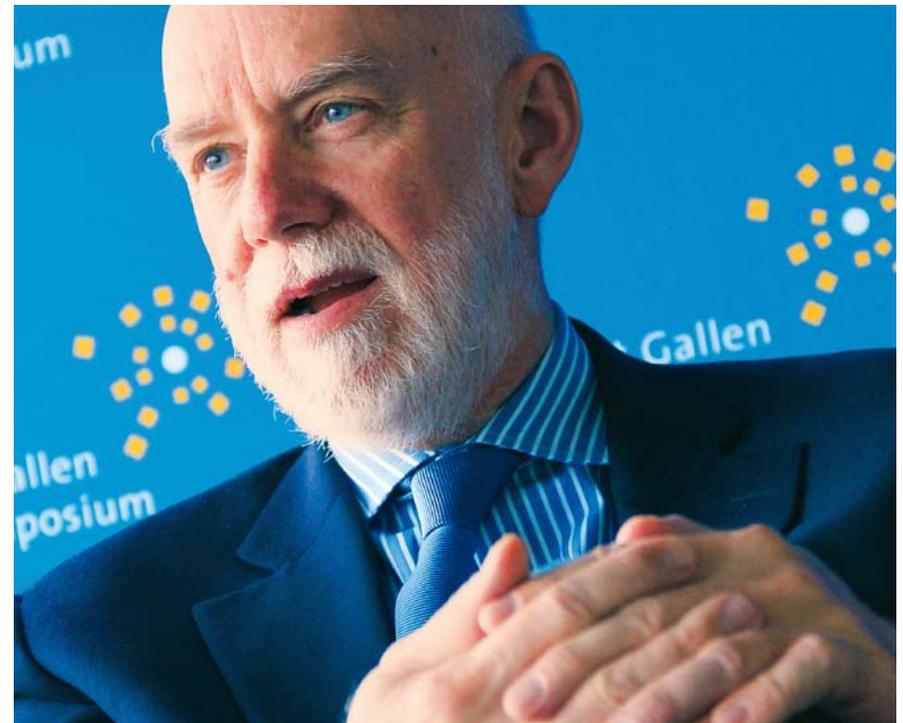
I do not think we were integral to that. I think that came from other quarters. I think if we see new doors opening, we go through new doors. So let us say that many doors are opening, and let us hope lots of people go through these doors.

**Arts – in a wide sense – have had a subversive power to change society. Has the power of art today been reduced to nothing more than economic power?**

At its case I would say that art is a will to reform. And that will really flourishes today. We have many things that need to be reformed, and that's a different kind of ethical supply and demand. <

### RICHARD ARMSTRONG

Richard Armstrong (born in 1959) has been director of the Solomon R. Guggenheim Foundation and Museum since 2008. He focuses on the pivotal role of the New York museum and its collection while also providing leadership for the foundation, which runs four museums in North America as well as Europe. A fifth Guggenheim Museum is being planned in Abu Dhabi. The foundation is in possession of one of the most important collections of modern and contemporary art of our time. Prior to his appointment, Richard Armstrong was the Henry J. Heinz II Director of the Carnegie Museum of Art as well as a curator at different museums.



## Did Business Journalism Fail?

“Greed is good.” The quote from Oliver Stone’s 1987 movie *Wall Street* became a leitmotif for a generation of the financial industry’s finest. Thirty years later, that same mindset almost led to a total collapse of the global economy. Where were business journalists when we needed them? Matthias Nedoklan looked for an answer.

“There is a lack of knowledge about economic subjects in the general public,” says BBC business correspondent Dr. h.c. Peter Day. What is a Ponzi scheme? How do mortgages really work? Increasingly, economics are not part of standard education, so most people neither understand nor care how the economy works. Compounding the problem, journalists usually do not make an effort to actually attract people to their subject. Instead, they often lazily adapt to their current audience, who are generally the people depicted in their articles: Policy makers, bankers, and executives from New York, London, Tokyo and Frankfurt. Yet no one really anticipated the consequences of their actions during the time when the bull reigned on Wall Street.

“It is impossible to predict what influence your opinion is going to have,” says Martin Wolf, chief economics commentator of the *Financial Times*. As an opinion leader Wolf is aware of his power: What he writes can cause real damage to the economy. Still, he is not scared to admit he does not have all the answers. “Nobody knew what would happen when Lehman Brothers failed,” he says. It could have been the apocalypse, but things worked out in the end. “We will never know,” says Wolf.

Accuracy is what separates good journalists from the rest, according to Wolf. The lack of warning signs before the collapse of the market for credit default swaps and the disastrous developments in the global banking system had a simple cause: Nobody really thought it through. “I, for one, didn’t see it coming – at least in that magnitude. And a

“Nobody knew what would happen when Lehman Brothers failed. We will never know.”

lot of colleagues experienced the same,” acknowledges Wolf. So are journalists to blame for their lack of insight? “Journalists shouldn’t get too high on themselves. It is easy to see the signs pointing toward a crisis after it happened. At the time, it wasn’t,” says Wolf. Journalists write about things that are happening now. When it comes to the future, “all we are doing is taking educated guesses,” Wolf confesses. And sometimes, journalists have to admit they do not know anything at all.

“Nobody knows what would happen if – for example – the rating agencies downgrade Germany’s status,” says the BBC’s Peter Day. Maybe the government can not bail endangered banks out any more. Maybe a bank fails and triggers a chain reaction. Or maybe nothing would happen at all.

Day agrees that journalists have a moral responsibility to the public. “But



public perceptions are hard to change,” says Day. Maybe an early warning during an economic bubble gets shrugged off as an effort by an alarmist, trying to increase magazine sales by writing something unorthodox.

“Bubbles are very seductive for humans,” Day says. During times of high growth, warning signs are easily ignored. Everyone wants to get his piece of the cake before the good times end. Consequences are neglected and nobody wants to spoil the mood by talking about the risks. Is there a need for better business journalism?

The biggest threat to business journalism right now is losing the interest of the reader, Day argues: “Showing an image of what those abstract facts and figures really mean is a difficult task, albeit an important one in terms of getting the attention which is needed.” Business journalism should not just show snapshots of the current situation. It should be more concerned with recognising developments. People do not care about huge quarterly profits, and they do not want to know what an EBITDA is. So most readers skip through the business pages in their newspapers and do not listen to anything involving numbers. And if fewer people care, fewer people can see the warning signs of unsettling times coming up.

For Day, business journalism is about covering the small companies. “Big

corporations are afraid of change. It’s a threat to their market position,” Day says. For his BBC Radio 4 programme *In Business* he recently visited German pencil makers Faber-Castell and Staedtler in Nuremberg and asked how their rivalry helped them become successful in the global marketplace.

The story is about two almost ancient companies in the same city, which somehow stayed sharp in a modern environment. It is about how seemingly small innovations can lead to huge results. A new ergonomic pencil design earned rave reviews saved the entire company in Nuremberg. It is not the story of billion dollar quarterly profits, but provides what business journalism is lacking: A human touch behind facts and figures. It is a different approach, one that might draw bigger audiences.

The reader should not need to adjust his interests to meet the current output of business journalism. Business journalism, like any journalism, has to adjust to the reader.

People care about people, so if a story about a new pencil becomes the story of a seemingly small invention saving the entire staff from unemployment, they tend to care. Journalists are not powerless people, trying to get heard by uninterested masses. They just need to find an approach to their work that gets people interested, and things will change. <

### PETER DAY’S

*excellent radio show In Business is also available via iTunes podcast and focuses on the efforts and innovations of smaller companies. In Business focuses on the small companies which are trying to look for new advantages in a difficult global market. It is about the stories behind the numbers.*

### MARTIN WOLF

*works as the chief economics commentator at the Financial Times. He was also appointed a member of the Independent Commission on Banking by the United Kingdom’s government. He currently writes about the dangers the Eurozone is facing. His latest books are Why Globalization Works and Fixing Global Finance.*

## “It is my responsibility not to cry ‘Fire!’”

Financial Times correspondent Martin Wolf is one of the world's most influential writers on economics. Matthias Nedoklan and Ricarda Twellmann talked with him about business journalists' moral responsibilities and their performance during the financial crisis.

### **What is a business journalist's duty?**

Journalism is a business. We can only live if we are able to sell a product that people will buy. As an institution – and I am part of an institution – my duty is to the business and to assure that it thrives. At most business publications, you are writing for an audience that wants accuracy and which regards journalism as a tool. It wants news and analysis that is reasonably objective and well-informed. I, as a journalist who writes commentary, have to be honest and state what I genuinely think. I do not think that journalism has a sacred constitutional function. But I do think that journalism is an expression of freedom and free society

### **Your opinion has a strong influence on the economy. Do you feel any kind of moral responsibility?**

This is a very strange thing to think about. It seems so self-important. As a journalist you do your job as well as you can. My personal obligation is to be reliable, to express what I genuinely think and to deal with topics that in my view are important. The only area where I think there is a real difficulty is whether you think and write the right things. If you are writing for a leading business paper and say that there is a crisis coming when there isn't, you could be

blamed for causing the crisis. It is my responsibility not to cry “Fire!” in a crowded theatre when there isn't one.

### **In the lead-up to the financial crisis a lot of business journalists were blamed for not crying “Fire!” loud enough. Why do you think nobody realised that a crisis was coming?**

They did not warn about the crisis because they simply did not realise that it was going to happen. By the way, it was not only the journalists. Economists, policy makers and people who were running businesses did not know either.

“I, as a journalist who writes commentary, have to be honest and state what I genuinely think.”

The basic problem for journalists is that we are writing while things are happening. Take a contemporary issue. Let us suppose Greece defaulted on its debt. What will the consequences be for the world economic system? We just do not know, because the system is too complicated. The uncertainty about what other policy makers will do is too great. In case of the recent crisis, the truth is it was unforeseeable in its full magnitude.

### **A lot of people are not interested in business journalism. Do you think that can be changed?**

The Financial Times is mostly read by policy makers, professional economists and students. We have a readership of

under half a million. A lot of intelligent people who do not work in these worlds do not really understand what we are writing about. If I were to read a relatively popular book about medicine I would not understand much either – and I never will.

This is one of the great problems of our complex society. This is our Faustian bargain. We are much richer than we have ever been before because we have developed systems that are infinitely more complex than ever before. On the one hand, we think understanding should be accessible to the public at large, but on the other hand what makes our society possible is a high degree of technical knowledge and expertise. Most people are not able to judge whether economic policy makes sense. So if you ask what should be done in the Euro crisis, I think actually the truth is that most people just do not know. <



# starting to think green

Sustainability is defined as the capacity to endure. It is keyword and an aim not only in many business reports but also in the political programme of governments. And although it can be interpreted in many ways – socially, environmentally or economically – one key item has taken precedence: The ability to manage our natural resources sustainably. Nuclear accidents in Japan and oil spills on top of the ever-increasing consumption of raw materials underscore the need for a different economic focus for the future: We must have more green power.

## The Race for a Green Future

Urbanisation, climate change and globalisation: The challenges of our time need to be solved in a sustainable way. After the financial crisis, a green race among countries and companies has begun. Anna-Lena Krampe, Felix Meschede and Pia-Luisa Lenz summarise the discussions at the 41<sup>st</sup> St. Gallen Symposium.

Recent events have put sustainability on the world's agenda. The atomic disaster at the nuclear power plant in Fukushima, Japan, and the oil spill in the Gulf of Mexico last year made citizens, politicians and companies more aware of the dangers to which we are exposing our world. At the 41<sup>st</sup> St. Gallen Symposium, several panels and Work Sessions focussed on the issue of how to deal with the so-called "Green Movement".

Robert Dudley, Group Chief Executive of BP, said he intended to help develop the right energy mix in the future, bearing in mind that the extraction of fossil fuels – BP's stock-in-trade – carries with it extreme risks. He also stressed that renewables will be the fastest-growing energy source in the future, and that they are worth investing in. But he announced that it would not be sufficient for BP to act sustainably on its own. "All global organisations need global standards," he said, and suggested that a global code of conduct would be a good idea.

Barbara Kux, Chief Sustainability Officer at Siemens, even sees the green movement triggered by the catastrophes as a catalyst for the market: "Green power is the post-crisis competitive advantage," she said. In her opinion, after the financial crisis a "Green Race"

among countries and companies has begun. At the St. Gallen Symposium, she presented Siemens as an important motor for green solutions. Kux says she is convinced her company can find sustainable technological alternatives.

Companies are not the only entities that have to adjust their course in the years to come, participants in the 41<sup>st</sup> St. Gallen Symposium agreed. Among them is Prof. Kiyoshi Kurokawa, special adviser to the Cabinet

for Science and Technology of Japan. After the atomic catastrophe in Japan, more and more people there started protesting against nuclear power. In a country that mainly relies upon atomic energy, the protest movement is a fundamental change. In response, the government announced it would reconsider its focus on nuclear power.

Kurokawa is optimistic about an energy supply focused on renewables in the future. "If we work very hard, a substantial percentage of the demand could be renewable, like solar, wind or geothermal energy. But a lot of political will is needed to achieve this," Kurokawa says.

Indeed, this political will is essential. But what if economic interests stand in the way? Prof. Hideichi Okada, Vice-Minister for International Affairs at the

Ministry of Economy, Trade and Industry of Japan, is also convinced that in the long term Japan has to focus on renewables.

At the moment, the Japanese government is reviewing the whole energy sector. But it would be too early to comment on Japan's energy future, Okada says. Nevertheless, it will mainly be a question of money and the political will to invest in renewable energies, as they are much more expensive than continuing to run existing nuclear power plants. <



## The Limits to Growth, Revisited

In 1972, the Club of Rome predicted an economic and ecological collapse within a century. Strongly contested by politicians at the time, this scenario has turned out to be more realistic than expected. But as the club's Co-President Dr. Eberhard von Koerber tells Claas Relotius, not every one of their assumptions was right.

In general, books about politics and society are not meant to be bestsellers. But sometimes their content is so controversial or even revolutionary that they cannot be ignored. *The Limits to Growth*, published in 1972 by the Club of Rome, was one of those books. It broke with a main assumption of socio-economic theory – the idea that our Earth will always provide the resources needed for economic and human prosperity.

Instead, the authors, led by economist Dennis Meadows, predicted that if emerging trends of population growth, industrialisation, pollution and resource depletion continued unchecked, our planet's ecological and economic systems would be overcome within a century. Concretely, the report – first introduced at the 3<sup>rd</sup> International Management Symposium in St. Gallen – posited the controversial idea that unlimited growth on a finite planet would inevitably lead to ecological collapse and an uncontrollable decline in industrial capacity.

Today, Club of Rome Co-President Eberhard von Koerber calls it “a path-breaking work that opened the world's eyes to global ecological problems and threats that didn't seem to exist at the time.” The book sold more than 12 million copies worldwide. Although con-

tested by scientists and politicians at the time, in von Koerber's opinion many of the forecasts made in the report have become reality: “The current challenges in food production and pollution as well as the tendencies of overpopulation are all in line with the book's predictions of collapse in the new century.”

The new strength of these countries will be one of our main ecological challenges.

According to von Koerber, the fact that our planet's natural resources are limited has become evident as the prices for oil, water and agricultural products have increased. Furthermore, as the report from 1972 forecasted, “food and energy supplies remain the core challenges of our time,” he says.

But the Co-President of the Club, an independent organisation located in the Swiss town of Winterthur, also recognises that some of the predictions made in 1972 were wrong. It was not just the consequences of steadily increasing CO<sub>2</sub> emissions that were underestimated. The Club of Rome did not predict the development of emerging nations like Brazil or India either. While the first report predicted China would have a gross domestic product of USD 100.– per person in the year 2000, in fact it turned out to be ten times that.

Von Koerber is convinced that “the new strength of these countries will be one of our main ecological challenges in

the next 20 years when it comes to our limited resources.” While he thinks that their rates of economic growth could be perpetuated in the coming years, their rising wealth would greatly increase the world's energy consumption. “We cannot forbid Chinese or Indian people the things we in the Western world have relished for decades,” von Koerber says. “But we have to be aware of the fact that production in a country like China is twice as energy-intensive as the worldwide average.”

Although the Club of Rome's scenario got some things wrong, if von Koerber wrote a report on his own today, the subjects would be the same as in 1972, says von Koerber: “Topics like pollution, climate change, peak oil, demography, migration and of course education will still be the main challenges affecting our near future.” <

**DR. EBERHARD VON KOERBER**, born in 1938, has been Co-President of the Club of Rome since 2002. He is also Chairman and President of Eberhard von Koerber AG, a Zurich-based international investment and asset management company. Von Koerber has had a number of high-ranking engagements in global companies, such as ABB Ltd., BMW Group, Toyota Motor Corporation, RWE, Allianz SE and the Swiss private bank Julius Bär. Thanks to his extensive commitment to social causes, he was awarded the Cross of the Order of Merit of the Federal Republic of Germany. Von Koerber has a Ph.D. in law and economics, having studied in Göttingen, Heidelberg and Berlin as well as Lausanne.



## “The price we have to pay”

Following the Fukushima accident, Japan reacted by shutting down another nuclear plant and announcing a new focus on renewable energy. Anna-Lena Krampe and Felix Meschede talked to Prof. Hideichi Okada, Japan's vice-minister for International Affairs in the Ministry of Economy, about the aftermath.

**Mr. Okada, does the latest deactivation mean the end of the nuclear age in Japan?**

I don't know whether we should continue concentrating on nuclear energy or not. Right now, we are prescribing more stringent safety measures for the nuclear power stations and at the same time we are putting more emphasis on renewables.

But we have to wait until we decide to which extent we will rely upon nuclear power. After the tsunami and the accident at Fukushima-Daiichi the government for example issued special guidance to the companies regarding resisting tsunamis. Hamaoka's power plant was not able to prepare these special measures, thus the government asked them to stop the reactors.

**There are 54 nuclear power plants in Japan, and most of them are located on the coast. Is Hamaoka the only one that is in danger? Can you guarantee the safety of the others?**

The others have already set up enough levees to protect the stations from tsunamis I have heard. Hamaoka is a place where the possibility of a huge earthquake is 85% – that's rather high.

**But did not the Fukushima accident point out that there are always risks you cannot control?**

Yes, there is always a risk, I would say. We thought that we had prepared enough safety measures, but we lost the backup generator. So TEPCO tried to send a special vehicle with another power generator but the road was so congested by debris that it couldn't get through. It was a pile-up of several risks, which we have to be prepared for next time.

**“TEPCO is the only firm distributing electricity in eastern Japan, so we can't let TEPCO go bankrupt.”**

**Would a nuclear phase-out in the short term mean a comeback for fossil fuels?**

In order to fill the gap between the demand and the supply capacity we will have to import more liquid gas. But we will not increase our usage of oil, to reduce the impact for the environment.

**What is the potential of renewable energy in Japan?**

There is solar and geothermal energy, wind power and small hydroelectric power stations. But at this moment, the percentage of renewable energy is less than 5%.

**Japan is a high-tech country. Why is the knowledge of renewable energy so small compared to other countries in Europe?**

We have tried to develop more wind turbines but we have typhoons, and so the costs of our wind turbines are much higher than in European countries. And also the cost of solar panels is still high,

even though the price has dramatically decreased within the last five years. We hope to invest much more in developing these technologies.

**The NEDO (New Energy and Industrial Technology Development Organisation) is testing floating offshore panels with huge wind turbines. Have there been any results worth mentioning yet?**

We are still in a developing stage. These turbines are not in use yet because of the costs.

**The Japanese government is supporting TEPCO with a lot of money. Is not supporting TEPCO the wrong investment, and the wrong signal for politicians to send?**

The government does not put any upper limit on the damage liability held by TEPCO, so the company may pay damages for as long as it takes. But at the same time TEPCO is the only firm distributing electricity in eastern Japan, so we can't let TEPCO go bankrupt. We have to manage to keep TEPCO collecting the fees from the clients and then paying those who suffered. So we set up a special institution to pay victims, and this institution will recoup their payment from TEPCO in the long term.

**The Japanese government and energy suppliers are said to work closely together. Do you see any problem in their relationship?**

The government has always been regulating the power companies and some

media consider this risky. The number of experts working in the field of nuclear power is limited. They graduate together. Some join the government, others work for the companies. But knowing each other does not necessarily mean there is some special intimate relationship.

**Are there people who first are employed by the companies and afterwards work for the government?**

No, there are no such people.

**Your panel is called “Energy security – the price we have to pay.” What price do we have to pay?**

The price we have to pay is the price for securing safety. So maybe we have to introduce a more stringent safety standard, but that means we have to pay more costs.

**So the price is just financial? Or are there also moral costs involved here?**

I don't know whether we should use the word “price” in the moral context. <

### HIDEICHI OKADA

Hideichi Okada (born in 1951) has been Vice Minister for International Affairs of the Ministry of Economics, Trade and Industry of Japan (METI) since 2010. He has more than thirty years of experience in ministries and government affiliated institutions, where he held notable positions such as executive assistant to former Prime Minister Junichiro Koizumi or director general of the trade policy bureau of the METI. In 2006, Okada became Professor at the National Graduate Institute for Policy Studies (GRIPS) in Tokyo and visiting scholar at the University California, San Diego as well as at Harvard Law School in 2007. Okada holds a master of law from the latter.





# war and peace

War and peace are powerful words, but the former is much easier to achieve than the latter. Reflecting on the condition of war and concentrating on reaching a state of peace was one of the concerns of the 41<sup>st</sup> St. Gallen Symposium. The speakers approached the subject differently, depending on their backgrounds. And that is for the good: The first step towards peace is examining war and conflicts from multiple disciplines.

## Positive Solutions

Much was said about the results of war and the best ways to achieve peace at the 41<sup>st</sup> St. Gallen Symposium. Alina Stiegler, Claas Relotius and Mareike Müller followed the different speakers into their sessions and brought back some astonishing impressions.

After the end of the Cold War, the world underwent a structural change: In the last 20 years, the world has become a “multipolar”, “geopolitical marketplace”, as the best-selling author Parag Khanna pointed out in his keynote *Mega-diplomacy – a new way to run the world*. While everyone speculates about the end of globalisation, in Khanna’s opinion there is none. Further he thinks that the world consists of cities, companies and communities, “where Facebook is the third largest country.” That is the reason why we need diplomacy on a higher level.

Where diplomatic ambitions fail, military interventions are being used. Ulrich Tilgner, a correspondent of Swiss Television (SF), and Colonel Thomas Kolditz, head of the Department of Behavioral Sciences and Leadership at the US Military Academy West Point, debated the sustainability of military interventions in international conflicts. In his lecture, Tilgner argued that after the terrorist attacks of 11 September 2001, military interventionism has increasingly poisoned international politics. The use of force as a method of solving international crises has complicated international relations because other means have been neglected. While Tilgner said an end to the war in

Afghanistan will not be achieved any time soon because the intervening states have not been able to develop a peaceful civil society, Kolditz reported from his experiences in Iraq that the country’s oil income has mostly been used to establish a massive security system, without which basic services would not have been possible.

“The Swiss solution, to establish a confederacy, and the solution in Afghanistan could be the same.”

violent strategies. To him, Switzerland is a perfect example of how conflicting parties can find a way to sit together at one table. “The Swiss solution, to establish a confederacy, and the solution in Afghanistan could be the same,” he said. In his opinion, it is important to talk to each other and show respect for the other side’s problems and demands. Commenting on German chancellor Angela Merkel, who said she was “glad” to hear of Osama Bin Laden’s death, Galtung said: “If you are enthusiastic about someone’s death, someone might be enthusiastic about your death.”

Maajid Nawaz together with Riz Khan, an anchor for Al Jazeera English, discussed Islamic extremism. Nawaz emphasised the difference between Islam and Islamism. In his opinion, Islam itself is not responsible for terrorism,

Prof. Johan Galtung, a well-known peace researcher, agreed. Galtung tries to solve conflicts with non-

because no faith can be responsible for the world’s problems. He stated that faith can be interpreted in many ways, and Islamism is only one of them. “Islamism is the desire to impose an interpretation of Islam on a society by state law,” said Nawaz. Nawaz also suggested that Muslims born and raised in Europe should try to change extremist ideas in their own communities. And the non-Muslim society should openly debate identity problems. Europeans need to solve the question of what it means to be European and what it means to be German, Dutch or Italian.

In the session *War and peace in edgy times*, Dr. Nasser Al Saïdi expressed his concerns regarding the exterior view on the Arab Spring – or what he called the “Arab Firestorm”. While the old world order is over, Arab countries will have to solve their own problems, Al Saïdi pointed out. They cannot be forced towards democracy, and “there cannot be military solutions,” he said emphatically. To help things along, he proposed creating a fund to help with reconstruction efforts.

Be it dialogue, non-violence, or social and financial support for home-grown revolutions, a lot of positive solutions were suggested at this year’s symposium. If this is what countries, politicians and citizens take away from St. Gallen, a significant step towards peace has already been made. <



## The Power of Peace

When Prof. Johan Galtung started researching peace, no university offered a peace studies programme. He pioneered the field, taught the power of peace at several universities and mediated conflicts all over the world. Alina Stiegler caught up with him at the St. Gallen Symposium, in the closing days of a long career.

"I feel he should really change his name to Prof. Johan Peace," Lord Griffiths of Fforestfach says in his opening statement to Friday's *War and peace in edgy times* panel at the 41<sup>st</sup> St. Gallen Symposium. And it's not far from the truth. Johan Galtung is often referred to as the father of peace studies. "More like the grandfather," Galtung jokes, "but it is all right." Looking back, he admits he earned the title. "I played a role, indeed." Galtung was the first man in the world to open an institute for peace studies: The Peace Research Institute Oslo, PRIO, opened in 1959.

Born in 1930 in Norway, Galtung discovered his interest in peace studies early on. "But I only found books about war studies," he says. At that time, there was nowhere to earn a degree in peace, so Galtung studied mathematics and sociology instead. In his subsequent career he proved that mathematics and peace have more in common than one would assume. "Studying mathematics I learned how to think," Galtung reflects. The rational approach helped him to deconstruct conflicts.

Using his TRANSCEND method – which shares the same name as his international conflict resolution network, co-founded with his wife Fumiko Nishimura in 1993 – he combines differ-

ent disciplines to approach and analyse conflicts.

Galtung has been consulted during many international conflicts and has mediated over a hundred of them, including negotiations in Afghanistan, the Middle East and Cold War-era disputes. Whether he talks to the Taliban or the CIA, he says, "you don't have to like them. You do not even have to agree with them. But you have to understand them." The 80-year-old's mention of a terrorist organisation and the US intelligence agency in the same sentence elicits an amused murmur from the audience. Galtung smiles and continues his Background Session on *Ten social justice trends*.

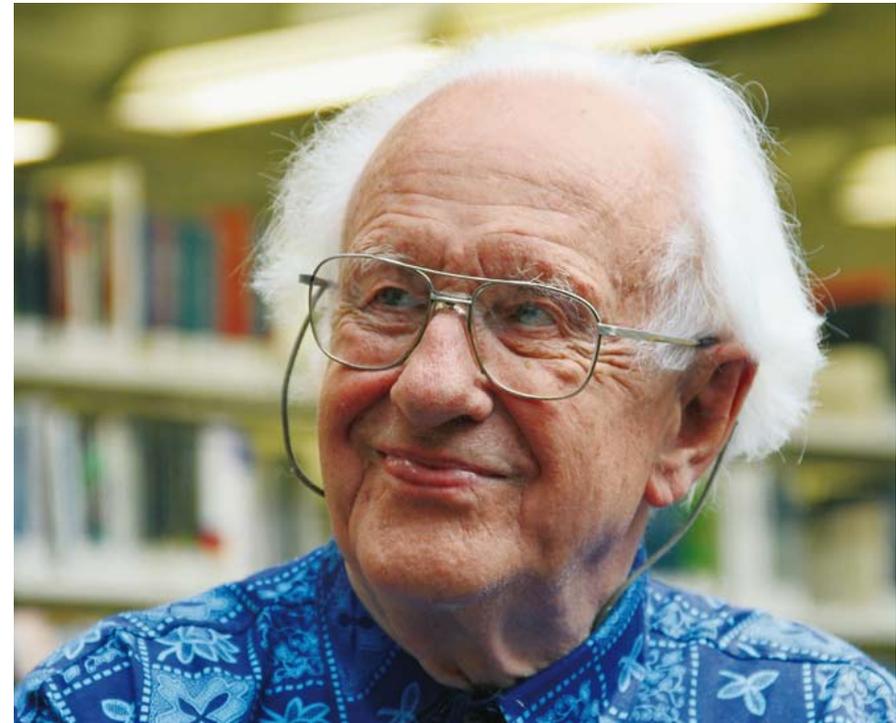
Galtung truly stands out, both in a professional way and in his outer appearance. Amongst a suit-wearing business crowd, he adds some color with a pair of comfortable dark green trousers and a blue patterned shirt. To Galtung, respect is a key for a good mediation: "You have to respect all parties in a conflict. I cannot think of a single conflict, where I haven't found legitimate reasons on one side." Furthermore, a good mediator has to embody three rules: empathy, non-violence and creativity. This is the core of every conflict resolution, Galtung says: "You really have to be

at home with the different cultures." Where does Galtung really feel at home? Is there a region or country that has been particularly fascinating to him during his career? "No, the world is my home," he says. "I'd like to refer to myself as a cosmopolitan."

Galtung has often demonstrated creativity, his third rule, in his work. In a territorial dispute between Ecuador and Peru concerning an unoccupied common border region, he suggested the fighting parties establish a bi-national park. A win-win situation for both, an aim Galtung always focuses on. The alternatives – one loser, or a third party winning over the two in conflict – was not an option for the Norwegian.

It is not only his active work as a mediator that Galtung received international acknowledgment. He is known, and probably feared, for his precise predictions. Galtung suggested years ago that what he calls the "US Empire" will collapse in 2025. With the reigning of the Bush administration he corrected it to the year of 2020. Galtung has been right in the past: In 1980, he predicted the fall of the Berlin Wall before 1990, following the fall of the Soviet Empire.

At the 41<sup>st</sup> St. Gallen Symposium Galtung again made a troubling forecast. "The civil war in Libya will last for twenty years," he predicted. It is now up to international policymakers to achieve peace before that date. <



## Finding Identity in Faith

Maajid Nawaz was once sure he was on the right path. As a member of the radical Islamist "Hizb ut-Tahrir", or "Liberation Party", he spent 14 years working to create a unified Muslim state. But after being imprisoned in Egypt, he changed his mind radically. Katharina Gipp spoke to him about his identity crises.

Maajid Nawaz, 33, is one hour late for an interview thanks to an e-mail misunderstanding, but arrives with a disarming smile. "I must apologise," he says softly, while sitting down. Nawaz' suit does not look particularly comfortable, but he moves with calm confidence, as smoothly as if he was wearing a tracksuit. Leaning back, he starts to talk about his life and events that made him the person he is today.

As a third generation immigrant of Pakistani descent, Maajid Nawaz grew up in Essex, England, without any integration issues. "It is psychologically very traumatic to remove yourself so absolutely from an identity,"

him. "He knew my grievance," says Nawaz. The man laid out a global theory, tying together everything from Kashmir to Palestine, Bosnia and the UK. "He told me that this world was at war against Islam," Nawaz says. Nawaz became convinced that the only way to protect himself and his family was to set up a caliphate uniting all Muslims. He became member of the Hizb ut-Tahrir (HT), an Islamist organisation whose central aim was establishing an Islamic state governed according to Muslim law. Nawaz helped set up HT chapters in Denmark and Pakistan, approaching religion and politics from an Islamist point of view.

When Nawaz was 16 years old, a young man from his hometown approached

him. "He knew my grievance," says Nawaz. The man laid out a global theory, tying together everything from Kashmir to Palestine, Bosnia and the UK. "He told me that this world was at war against Islam," Nawaz says. Nawaz became convinced that the only way to protect himself and his family was to set up a caliphate uniting all Muslims. He became member of the Hizb ut-Tahrir (HT), an Islamist organisation whose central aim was establishing an Islamic state governed according to Muslim law. Nawaz helped set up HT chapters in Denmark and Pakistan, approaching religion and politics from an Islamist point of view.

In 2002, Nawaz went to Egypt to revive the HT, which had been crushed in 1974 by the military and banned ever since. "Working there soon became a game of cat and mouse," Nawaz remembers. After four months he was arrested. Egyptian security forces came up with special treatment for him: In addition to sleep deprivation and starvation, Nawaz was tortured physically and psychologically. While the police interrogated him, Nawaz' friends were given electric shocks.

After his first four months in Egyptian prison, Nawaz was put into solitary confinement. "First I wanted to seek vio-

lent revenge," he says now. But after a while he started to study Islam, using original Arabic sources. Later, he had the chance to speak to former jihadists. He decided that the Islam he believed in should be called Islamism and is a "twisted perversion, a totalitarian ideology, that justifies itself using Islam."

After he was released from prison in 2006, he resigned from the HT. Nawaz tried to convince his friends from the movement of his new point of view but failed. His marriage ended in divorce and he lost almost all of his friends. "I think my faith gave me strength – as it didn't change at all," he says. "It is psychologically very traumatic to remove yourself so absolutely from an identity."

Nawaz has since co-founded the London-based Quilliam Foundation, an organisation that works to counter the Islamic extremist narrative and advise politicians and institutions. He also founded Khudi, an organisation in Pakistan working to inoculate young people against Islamist extremist propaganda. "We engage in workshops, discuss and provide democratic alternatives for them," Nawaz says passionately.

Still leaning back, Nawaz smiles slightly. "I am a Muslim in a globalised world, and very comfortable with my British-Pakistani identity," he says. Being European, British, Pakistani – those identities are totally compatible for him now. <





# welcome to the cyber age

The internet is helping the world get smaller, but that is not always a good thing – as it becomes easier to communicate, cyberspace becomes a more and more dangerous place as well. Power is shifting to the digital realm, replacing guns and missiles with bits and bytes in the world's latest revolutions and wars. Computers make power a matter of a mouse click. The results are at once democratising and destabilising, altering our perceptions of power as it influences the world around us.

## Lost in Cyberspace

Roaming the internet, one can easily get confused by all the services it offers. Anika Schwalbe and Katharina Gipp participated in four Work Sessions and learned about the quotidian importance of being online, the internet's political dimensions and how to make cyberspace work for you.

Just 20 years ago, the telephone was still the fastest way to connect people. Being "online" then might have had something to do with hanging the laundry out to dry or maybe a trapeze artist's performance.

Nowadays, everything is different. Almost every human being gets in touch via the internet. Being online is a state of being, rather than a temporary mood. All kinds of files are sent throughout the world, videos

and songs are up- and downloaded, meetings are arranged, teleconferences are held and products are advertised.

But the main use of the internet still does not differ much from that of the telephone. The Internet is synonymous with communication: Every user has the ability to communicate with every other user in the world. But unlike the telephone, the internet offers a wide range of communication options: A user can send e-mails to several people simultaneously, publish his own articles, videos or photos on a blog, comment on other people's postings, or even find a life partner – or at least a partner for an online roleplaying game – online.

At the 41<sup>st</sup> St. Gallen Symposium, many Work Sessions concentrated on the opportunities and risks presented

by the internet, especially social media. *Just power in cyberspace* or *Diplomacy in times of WikiLeaks* were some of the topics up for discussion, and questions such as *Is social media massively overrated?* were answered. Guests from all over the world gave interesting insights in their work and their beliefs.

"After the earthquake and Fukushima meltdown, Twitter was the information source."

Within the Work Sessions, the political dimensions of cyberspace were put under the microscope. When the demonstrations and revolutions in Tunisia and Egypt started, cyberspace took on a role a lot of people had been hoping for: It was, and still is, important for political movements and can be seen as an ally of democratic revolutions. It suddenly seems as if the internet is able to change something big. While their governments and censored official media tell people one thing, protesters are able to use social media to coordinate themselves while bringing blogs and platforms like YouTube into play to show the world what really is going on.

Despite massive repression, the internet is still the most important means of communication for the people of Syria. After President Bashar Al-Assad banned all foreign media, the only way the world knew what was happening inside the country was thanks to people



uploading videos of shootings on the streets of Daraa or Homs. YouTube videos are often the only source of pictures from this region for the world's TV channels. The internet's role has forced journalists to grapple with difficult questions: "How can we prove the origin?" "How can we filter all this information" and "How much violence is justifiable for the viewer?"

Cyberspace is playing a growing role during natural disasters, as well. "After the earthquake and Fukushima meltdown, Twitter was the information source – particular for those people who were in the damaged area," says Yoko Ishikura, professor for Global Business Strategy and Competitiveness at Keio University Yokohama, Japan. "They had no TV and no electricity. They only had these mails and tweets." While the Japanese government still hides a lot of information and the Japanese media remains little more than a mouthpiece for it, Ishikura says people can now get the information they need from the internet.

When it comes to cyberspace and democracy, WikiLeaks is another important player. There have always been whistleblowers, but WikiLeaks changed everything: When it published a huge number of confidential cables from American embassies, it started a discussion over how much privacy and data protection is needed and accepted when

it comes to governments and embassies. How much transparency do we need and demand? An important revelation, for instance, was that members of the US military suspect that Pakistan has assisted the Afghan Taliban insurgency. Publishing such information can be dangerous because of the damage it could cause to diplomacy.

Looking back on the events of the last eight months, it is no secret that cyberspace is increasingly influential on political life and on the question of how we live. It is foreseeable that it will become even more important as it uncovers the truth in countries where their media cannot.

Work Sessions were led by HUNG Huang, China's answer to Oprah Winfrey, who publishes the fashion magazine iLook, and Wolfgang Ischinger, Germany's ambassador to the United States. Other interesting aspects were presented by Jeff Moss, the chief security officer of ICANN, Dr. Rex Hughes, Visiting Fellow for Cyber Security at Wolfson College, Cambridge, and Yoko Ishikura, professor for Global Business Strategy and Competitiveness at Keio University Yokohama, Japan. <

# “Here, take my card”

Exchanging small pieces of paper is a basic professional ritual at events like the St. Gallen Symposium. After two days of collecting cards, you will not only find different designs, papers and information, but also realise that the exchange of information goes far beyond the card itself. It is simple, but writing some extra information about yourself or the occasion on your card before passing it over will draw more attention to you later, a couple of business veterans say. “If there’s no mobile number on it, the card is useless,” one of them reveals. And yet: “On the top level of managers, no card is needed. You just know how to reach each other,” the symposium sage says, smiling. But until you reach the very top, the constant exchange of paper at the 41<sup>st</sup> St. Gallen Symposium shows cards still carry a lot of power.

## A Familiar Face Behind the Steering Wheel

Christine Lagarde has been coming to the St. Gallen Symposium for nearly a decade. France's Minister for Economy, Finance and Industry has only one demand: There is someone specific she wants to pick her up at the airport. Claas Relotius has the story of an annual encounter between front and back seat.

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Flowers are more than fragrant and nice to look at. Sometimes, they lead to exceptional relationships. Former HSG-student and ISC-member Patrick Müller, 31, learned this lesson almost ten years ago. In 2002 he had to invite Christine Lagarde, a current French minister, to speak at the St. Gallen Symposium. But Lagarde, then a managing partner at the Chicago office of the US law firm Baker & McKenzie, was hard to get. "Her office just sent us some standard denials. There seemed to be no chance to really get in touch with her," Müller remembers.

But then he had an inspired idea: On Valentine's Day, he flew to Chicago and showed up at Lagarde's office without an appointment but with a bouquet of roses. "The security men were thinking I would like to propose to her, and did not sent me away," Müller says. Instead, Müller got the opportunity to extend his invitation personally – and successfully. One week later, Lagarde called him and agreed to come to the conference. She had only one condition: Instead of a professional limousine driver, the man with the roses should be her chauffeur.

Müller readily agreed and was there to welcome Lagarde at the airport. He remembers an encounter with immediate

enthusiasm on both sides: "We connected somehow. When I drove her the first time, we quickly started to have a personal conversation in a warm and easy atmosphere," he says. "Maybe because she has children of her own she showed a lot of interest in my studies and plans for the future." The attention was an honour for Müller. But apparently the woman, who became a minister of France in 2007, enjoyed their talk, too. She not only insisted the young man accompany her to the dinner party that night but also asked him to be her driver the next time.

Since then, Lagarde has attended the St. Gallen Symposium for six of the last nine years. And every year, Müller, who went on to work for a consulting agency after finishing his studies, comes to the conference to welcome her from the front seat of her limousine with a familiar smile.

"Each time it is like meeting an old mate. Even when you have not seen each other for longer time, you have no problems breaking the ice," Müller says. He and Lagarde not only talk about business issues but also about private interests: "She is charming, has a nice sense of humour and is a person with surprisingly multi-sided interests, too. Sometimes we had a conversation about

opera and sometimes Madame Lagarde told me about her former career as a member of France's national synchronised swimming team." Did she not offer him a job? "She did," says Müller. But he declined, preferring to look for his own challenges in the business sector.

This year, Müller had to visit the conference on his own: Lagarde cancelled her attendance on short notice. "Since she became minister, her timetable is quite occupied," Müller says, sounding like an old friend of hers. "But I hope she'll attend the symposium again next year." Whether their special relationship has a future depends on whether the minister has time to come in 2012. No doubt there would be someone special waiting at the airport if she does. <





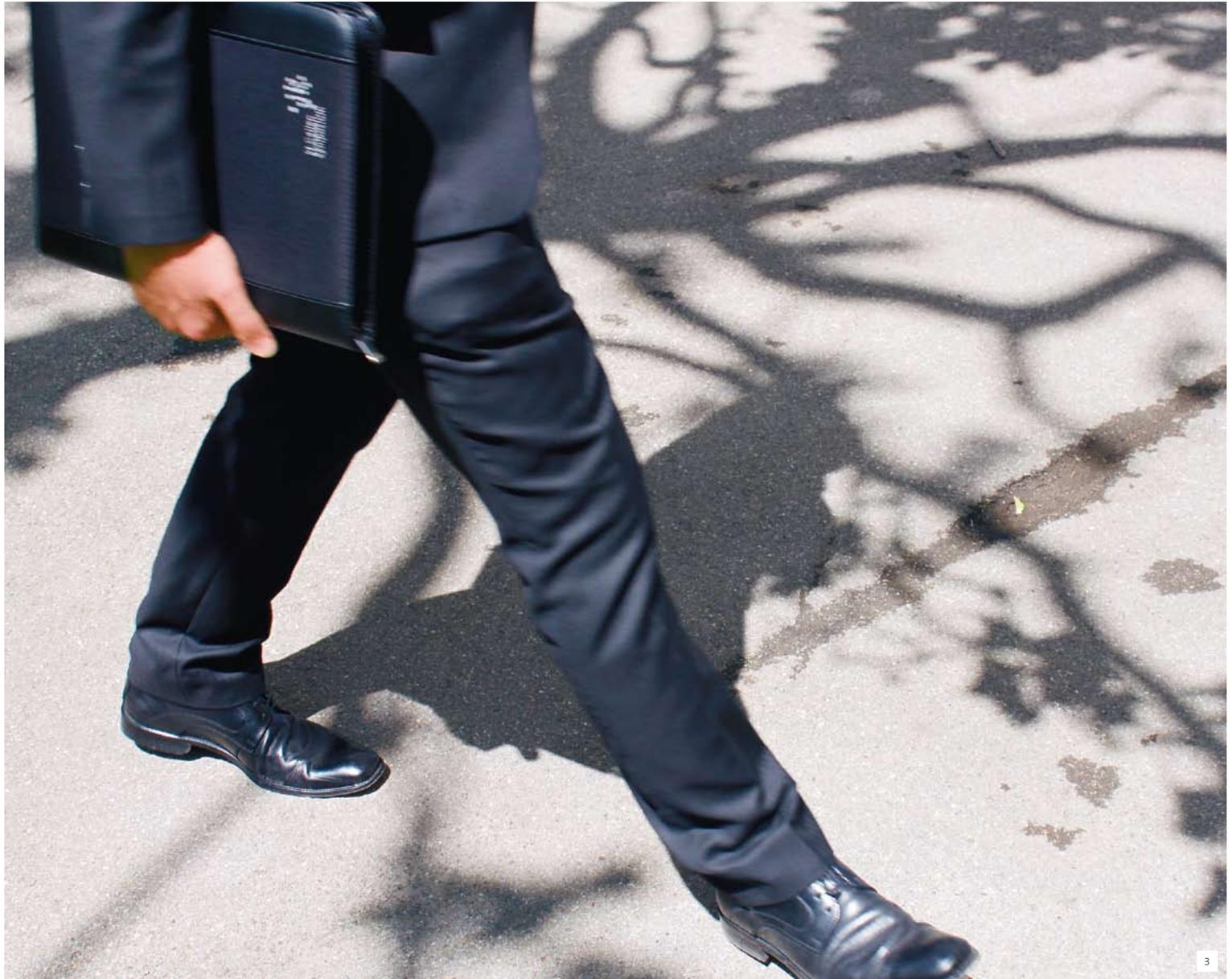
## The Social Scene

When thinking about the St. Gallen Symposium, its guests and visitors will not only remember the exclusive speakers, but also its refined atmosphere.

During breaks and while enjoying meals the participants could indulge in international specialties and bond with guests from all over the world.



**1)** Switzerland: A modern society with traditional customs. **2)** Guests are taken care of in every way: Intellectual, spiritual and culinary. **3)** For 41 years, the St. Gallen Symposium strides powerfully ahead of conventional conferences.





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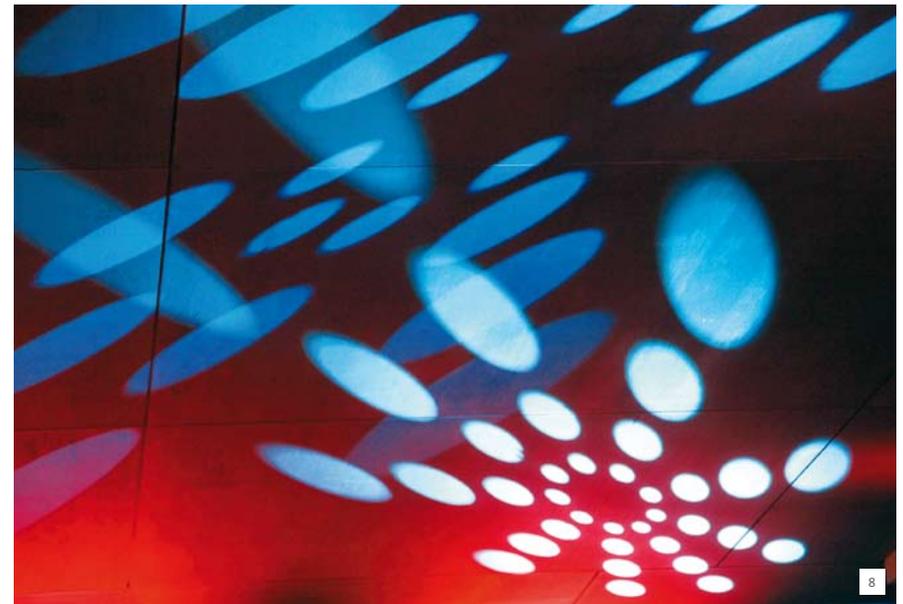
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**1)** Modern architecture perched above a traditional Swiss town: The University of St. Gallen. **2)** On the sunniest day in St. Gallen the barbecue is declared open. **3)** Where there is a lot of talk, the vocal cords must be attended to. **4)** Exclusive guests need professional protection: Security guards stroll over the conference ground. **5)** Students organised the conference and documented it as well. **6)** All over the place: The logo of the St. Gallen Symposium. **7)** Breaks give guests the opportunity to mingle with potential business partners. **8)** This year's slogan, "Just Power", turns even the most bland surfaces into colourful reflections of the conference's spirit.

## “From a vision to the cast”

For the first time, the Hamburg Media School went to the University of St. Gallen. Twelve journalism students arrived with a lot of ideas and left with a bunch of new impressions. In the beginning was the idea. In the end, a magazine. Project Manager Dr. Michael Beuthner tells the story behind the project.

It takes action to turn visions into reality. The first contact between the International Students' Committee (ISC) and the Hamburg Media School (HMS) came more than a year ago. The main question was how to create professional synergies between the journalists-in-training of the Hamburg Media School and the organising committee of the 41<sup>st</sup> St. Gallen Symposium. In the 40 years of the Symposium, it turns out that there had never been a journalistic magazine devoted to the conference itself. Thus, the idea was born.

Once the Media School was on board, the project began generating adrenaline, motivation, curiosity and inspiration. The closer the “3 Days in May” came, the clearer it became that the publication would not only capture the symposium's topic but also the gathering's *zeitgeist* through stories, profiles and interviews with participants. Combined with careful planning, plenty of brainstorming, and coordination between leaders in St. Gallen and Hamburg, the idea began to take shape.

On 9 May 2011, the HMS-team arrived in their temporary offices on the University of St. Gallen campus. The 684,877 metres between Hamburg and St. Gallen were reduced to nothing. And in the days that followed, the staff of the ISC

and the Hamburg Media School's students took a great step together. The result is this magazine. Another, less tangible result, is a gift they gave each other: Real team spirit, based on trust, professionalism and friendship.

Why HMS? The Hamburg Media School trains its master's programme students to become outstanding journalists, excellent media managers, and exceptional filmmakers. The school is backed by a public-private

The project began generating adrenaline, motivation, curiosity and inspiration.

partnership consisting of the Hamburg Media School Foundation (which incorporates over 30 leading publishing houses, broadcasters, and media enterprises), the City of Hamburg, the University of Hamburg and the Fine Arts Academy of Hamburg. The faculty includes well-known media personalities, successful executives, and top-level business scholars who guarantee an extraordinary education.

The Master of Arts in Journalism combines the high demands of vocational training with the rigors of a course in classical journalism. Comprehensive seminars train students' editorial, technical and conceptual abilities across newspapers, magazines, radio, television and new media. <

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Cover Design

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Print

**Stämpfli Publikationen AG**

**Wölflistrasse 1**

**CH-3001 Bern**

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**International Students' Committee (ISC)**

