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**proudly small** / 45<sup>th</sup> st. gallen symposium / 7–8 may 2015  
essay review

## PROUDLY SMALL – THE LEADERS OF TOMORROW’S PERSPECTIVE

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### I. INTRODUCTION

This article summarises the perspectives of a select group of promising young people from all over the world, so-called Leaders of Tomorrow, on the topic of the 45<sup>th</sup> St. Gallen Symposium: *Proudly Small*. Based on an analysis of the top contributions to the 2015 St. Gallen Wings of Excellence Award of this year’s St. Gallen Symposium, the article organises the focal topics of the essays and identifies interesting ideas and thoughts of the Leaders of Tomorrow. The objective is twofold. First, to report those ideas that the Leaders of Tomorrow most frequently address in their essays. Second, to highlight the most promising ideas of this cohort. This summary considers the top 56 contributions to this year’s St. Gallen Wings of Excellence Award. This choice was made in order to focus on those contributions with the highest quality. It is important to note, however, that this summary does not assess the quality of the essays, but solely focuses on the content of the contributions.

The review proceeds with some general information on the Leaders of Tomorrow’s favourite topics. Since the participants had to relate their essays to one of three competition questions, this summary presents the content foci, contextual aspects, and methodological approaches accordingly. The article concludes with a summary of the overall implications.

### II. THE LEADERS OF TOMORROW’S PERSPECTIVE

The participants in this year’s St. Gallen Wings of Excellence Award had to select one of three competition questions for their essays:

- Question 1 – What is the next small BIG thing?**
- Question 2 – Collaborative Small State Initiative**
- Question 3 – Elites: Small but superior groups rule the world – At what price?**

Since most essays submitted to a specific competition question had corresponding topic foci, this review is organised accordingly. Of the top 56 contributions, 28 essays related to Question 1, 9 essays to Question 2, and 19 essays to Question 3. As illustrated in Table 1, more of the top contributions addressed Questions 1 (50%) and 2 (16%), whereas comparably fewer addressed Question 3 (34%), than all award entrants.

	All Award Entrants	Top Contributions
Question 1	43%	50%
Question 2	12%	16%
Question 3	45%	34%

Table 1: Distribution of Essays to the Three Competition Questions

#### II.1 QUESTION 1 – WHAT IS THE NEXT SMALL BIG THING?

Fifty percent of the top contributions focus on Question 1, “What is the next small BIG thing?” The Leaders of

Tomorrow were asked to “think about unconventional ideas, undiscovered trends or peripheral signals that may turn into groundbreaking changes for societies” and to “present one idea which is not on the radar of current leaders yet but will change the game in business, politics or civil society”. The ideas of the Leaders of Tomorrow relate to data and technology, health, politics, and society more generally. There is a remarkable geographic diversity of contribution contexts, including examples from Brazil, China, and India.

#### DATA AND TECHNOLOGY

A first strand of essays suggests that the next small BIG thing refers to data and technology. The Leaders of Tomorrow offer a variety of different suggestions about what the implications of the different big data and technology-related ideas could be. For example, a Leader of Tomorrow finds that large-scale fiscal stimulus has proven to be ineffective to end a recession. Instead, big data should be used, and specifically “mobile phone location records, online search queries and credit card transaction records can make fiscal stimulus packages more carefully targeted and precisely timed”, which may, ultimately, reduce economic volatility and end recessions.

Notably, the Leaders of Tomorrow discuss several problems associated with data and technology and offer new suggestions. In light of the current “third wave of an IT-driven revolution”, a Leader of Tomorrow observes a fragmentation of data, as companies are using the data solely for their own purposes. To

overcome this, the author suggests a new “international organisation to trade and share data”, which may help to maximise data’s usage for the benefit of the society. Another Leader of Tomorrow raises questions related to big data, such as “Will decisions only be made on the grounds of quantifiable data? Will intuition become illegitimate? And will data-driven incentive schemes hinder creativity and social interaction because these activities are hard to quantify?”. The author suggests that Leaders of Tomorrow will need to have “technological intuition” to embrace change and to create solutions for the future challenges. Similarly, a further Leader of Tomorrow finds that the next little BIG thing is a “hybrid-type aggregation and selection system”, combining both the numerical power of the machine and the perceptions and biases of humans, which will also result in the emergence of a new category of professions.

In this strand, the Leaders of Tomorrow offer several specific ideas related to technology that may have an impact. One contribution identifies gamification as the next small BIG thing, as games can effectively engage our interest and motivate us. The author argues that gamification can “increase public participation, impact education and awareness of environmental issues and foster creativity and innovation”. Focusing on the use of small commercial drones, another Leader of Tomorrow argues that “the public, entrepreneurs and policy-makers have fundamentally misunderstood the value and limitations of the small drone phenomenon”. Criticising their negative perspective, the author finds that their threat-based view will hamper unleashing the new technology’s full potential.

Not all Leaders of Tomorrow, however, have a merely positive view of technology. For example, one Leader of

Tomorrow warns that artificial intelligence will be the next small BIG thing. The author suggests that the “the sooner we start to harness the power of machines, and place safeguards against the rise of artificial intelligence, if at all possible, the better the chance that we use artificial intelligence to propel our global economy in a positive way into the next century”.

#### HEALTH

Interestingly, a second strand of essays concerns the next health-related small BIG thing. Citing a 2014 report by the WHO, according to which nearly 2.5 billion citizens globally lack access to improved sanitation facilities, a Leader of Tomorrow identifies the inability of the world’s governments to provide basic sanitation facilities to its citizens, as well as the need to change human minds. Consequently, the author suggests that the way forward concerning sanitation as the next small BIG thing. Another Leader of Tomorrow argues that the provision of menstrual cups, a sanitary pad alternative, “is a feasible and innovative way to increase school enrolments, alleviate gender inequalities and to increase female work force participation”. Using the example of Kenya, the essay shows that menstrual cups are the next small BIG thing “because these cups are economical in the long run and because their usage can lead to gender norm shifts and attainment of the Millennium Development Goals (MDGs) that policy makers seek to reach”. Another contribution finds that since Big Pharma has withdrawn from antibiotic development due to limited profitability, Small Pharma, that is smaller entities, should contribute new antibiotic therapies. Such efforts should be guided by health policies that encourage the development of products that do not meet the profitability and/or risk criteria of larger players. A further

Leader of Tomorrow notices that mental health issues and corresponding investments do not revive the same amount of attention in low and middle-income countries than in other countries. To foster mental health promotion, the author suggests the *FOCUS* formula that includes five small-scale measures: “Flourish” centres instead of “national” institutes for mental health (micro centres); outsourcing psychotherapeutic skills to smaller groups (micro communities); culturally specific conceptualisation of illness and treatment (micro perspective); unostentatious philanthropy for mental health funding (micro funding); and “skilling” individuals the right way (micro skills).

#### POLITICS

A third strand of essays focuses on the next small BIG thing related to politics and public administration. Here, several contributions offer innovative approaches that may change the way the political and administrative systems work. For example, one Leader of Tomorrow suggests that the next small BIG thing will be the division of labour in the provision of public services. The author argues that there will be specialisation and efficiency advantages based on comparative advantage. This would improve public services, give more influence to smaller states, and enhance the “credibility of collective security guarantees”. Another Leader of Tomorrow proposes incentivised voting as a possible solution to the complex demands of political problems. The author suggests cash rewards or tax benefits to improve voting performance. Further, the political knowledge of voters should be tested with a multiple-choice questionnaire. Another contribution finds that Western democracies are “at a dead end” because of the “political apathy of big parts of the society”. To counter this development,

the Leader of Tomorrow suggests increasing the involvement of the people in politics, thus extending representative democracies with elements of direct democracy. The author proposes a web platform that allows the people to vote on specific decisions the parliament has voted on. More generally, another Leader of Tomorrow suggests that a new, design thinking approach towards policy making can make a difference. Focusing on the tribal population in India that has suffered from oppression, the author proposes a bottom-up model of policy design.

Three notable contributions concern ideas related to poverty and the distribution of wealth and consumption. One essay suggests implementing the idea that everyone has enough money to live, specifically, a basic income guarantee. The author finds that this may also stimulate economics and business activity, for example, as it may enhance demand for goods, and advocate that societies “just give money to the poor”. A second author criticises “constantly increasing overconsumption” as part of the contemporary human lifestyle. The Leader of Tomorrow suggests “this externality can be internalised by imposing consumption taxes and providing consumption credits for non-consumers or low consumers”. And a third Leader of Tomorrow uses the examples of China and Brazil to find that the *big*, “which focused primarily on strengthening market-friendly political and economic institutions in developing countries” has proven inadequate. The author suggests developing a complementary and flexible partnership between *small* approaches on the local or household level and the *big* approach on the macro-level.

Another Leader of Tomorrow finds that the next BIG thing is a series of small things. By highlighting several examples of big ideas that failed to work for

economic development, the author suggests that it is necessary to recognise “the complexity of our challenges and toughness of our task, and realising that progress will come not from one single bullet but from a series of small steps taken in the right direction”.

#### SOCIETY

A fourth strand of essays concerns small BIG ideas related to societal challenges, including demographic change, education and learning, and equality. Two contributions concern demographic change. One Leader of Tomorrow suggests that the huge yet untapped potential of retirees is the next small BIG thing. The author advocates recognising this force and companies developing innovative approaches towards ageing and retirement, as this may help “overcome the intergenerational gap within our society”. Another Leader of Tomorrow adds that the ageing population is an issue that is still being neglected by the world’s leaders. In light of the problems associated with it, such as a lower number of younger people, the author suggests restructuring pension schemes, revamping public policies, and developing a “smart nation”, that is a nation without age discrimination.

Indeed, critique of the status quo is a recurring theme, touching on educational systems as well. One Leader of Tomorrow criticises the current education system because it does not give enough space for creativity and ideas. The author suggests “reconstructing” the model of education to account for the full potential of human talent and proposes five ways, such as having a broader curriculum or attributing a higher status to the teaching profession, to help accomplish this. A further Leader of Tomorrow finds that “self-reflection enables us to improve the quality of our decisions by being aware of our mental models, leads to more

harmonious relationships by reducing overreactions and offers the chance to find a true individual purpose in life by decreasing the dependence on the admiration of others”. In sum, these small individual-level changes are considered to positively affect the society. In a similar vein, another Leader of Tomorrow proposes that socio-economic advancements can be made by biomimicry, which aims at solving problems through learning from already existing solutions found in nature. The author advocates that policy makers, businesses, and individuals should apply this approach.

Finally, two contributions concern participation and equality. One Leader of Tomorrow develops a future scenario of crowdfunded worker collaboratives, a scenario in which all companies are owned by their workforce. More generally, another author states that the next small BIG thing “is the fundamental recognition that all human lives are equal”. Using the example of Pakistan and arguing that equality is necessary to make the world a safer place to live, the author suggests that the “attitudinal change that is seen as most potent in building and sustaining a complete rejection of terrorist violence in all parts of the world”.

#### II.2 QUESTION 2 – COLLABORATIVE SMALL STATE INITIATIVE

Only about every sixth top essay relates to Question 2, “Collaborative Small State Initiative”. Given that “although small states lead the global rankings in international benchmark studies on competitiveness, innovation and wealth, they are often politically marginalized”, the Leaders of Tomorrow were asked to “explore a common agenda for small and prosperous countries” and to “identify one joint project that would increase the relevance of small states on the global stage”. The Leaders were

encouraged to “go beyond politics and diplomacy by also including economic and civil players”.

Several Leaders of Tomorrow approach this question by searching for common strengths of successful small states and proposing alliances, initiatives, and projects in these areas. In analysing common strengths of small states that successfully manage to survive and that are not being “bullied by economic super-powers”, one Leader of Tomorrow finds that small states should exercise ideological neutrality, have a strong military or become hubs for banking services in order to attract talents into their economy and prosper even without natural resources. Another Leader of Tomorrow suggests a top-down approach of learning about the success of small states and presents the idea of a collaborative society of small and successful states in order to promote their solutions in the fields of climate and energy, innovation, education, and good governance. In a similar vein, another Leader of Tomorrow encourages small states to form strategic alliances and to build smart partnerships in the field of research projects, health services, training programmes and economic schemes to increase “their relevance in the global benchmark”. One Leader of Tomorrow develops a hands-on idea of a “Global Governance Incubator (GGI) with the goal of disseminating practical, bottom-up solutions to bad governance”. The idea is based on the development of local solutions with the “inclusion of civil society and the private sector at all stages of the reform process as well as independent international supervision” and scaling up “effective solutions to poor governance from the regional to national level”. This Leader of Tomorrow develops a scenario in the year 2030, when a group of small countries “that represent a mere 3.3% of the world’s population has positively

affected more than 2.2 billion people in over 50 countries and generated benefits in the form of human and economic development that is more efficient, fair and sustainable”.

Two Leaders of Tomorrow see small states’ opportunities for collaborative initiatives in the field of education. Particularly, one Leader of Tomorrow suggests a teenager exchange project between small states with the aim of increasing small states’ human capital and enabling future generations to take “responsibility, to make decisions innovatively, creatively and with lasting effect”. Based on the same argument, another Leader of Tomorrow proposes an alliance in higher education: “Small and well-developed states, which are natural experts in providing international study environments and capacities, are called upon to form an alliance that counters the politicisation of education and meets the demand for truly international higher education”.

Taking a more critical view towards the essay question, one author finds that the question is ill-posed. This Leader of Tomorrow claims that prosperous, small states are politically relevant and their relevance will increase in the future. In analysing the underlying reasons for small states’ power, the author argues that political power is shifting from nation states to multinational corporations and large states will become less dominant in international agenda setting.

### **II.3 QUESTION 3 – ELITES: SMALL BUT SUPERIOR GROUPS RULE THE WORLD – AT WHAT PRICE?**

About one third of the top contributions refers to Question 3, “Elites: Small but superior groups rule the world – at what price?”. Considering that “elites are challenged to redefine their roles and agenda settings” due to the world’s

greatest problems such as “the rise of inequality, a devastating level of famine that still exists, ubiquitous corrupt systems of government” and “limited access to education for the underprivileged”, the Leaders of Tomorrow were asked to share their “thoughts on how elites are supposed to emerge and transform in the 21<sup>st</sup> century”.

The problems addressed by Leaders of Tomorrow range from economic and political crises, rising income inequality and xenophobia, lack of values among today’s elites, growth of anthropocentric visions of the world, egoism, thirst of power, the substitution of “justice” and “altruism” with “convenience”, elite’s immense wealth, growing and expanding poverty, dominance of science and technology by elites, corruption, violence against others, and failed meritocracy. The variety of perspectives on possible solutions and actors – both conventional as well as unconventional – is remarkable. Notably, one contribution questions Question 3 of the essay competition. The author asks whether elites are really as powerful as we think. In the essay, the Leader of Tomorrow demonstrates, through several political, social and financial examples, that the elite’s power is both “fleeting and limited” while concurrently problems of poverty remain. Exploring solutions to problems such as large wealth gaps, the author suggests “investment and transparency” as keys to success.

#### **ELITE’S VALUES AND RESPONSIBILITIES**

One group of Leaders of Tomorrow focuses on elites as role models, leaders, and on their values. Specifically, one Leader of Tomorrow posits that “the elite must steer and guide us” and stresses that “through leading the way in business, education, philosophy and politics, the elites must galvanise the world to understand and tackle the

challenges that threaten to leave our world exploited and deprived for our future generations.” Another Leader of Tomorrow envisions the top of our society to be “reflected, devoted and humble people” and to act as a value-generating elite. The author sees “fundamental changes to our current education system and academic curricula at universities” as well as structural reforms in corporations and politics as necessary in order to realise this vision. Adding to these thoughts, one Leader of Tomorrow promotes the idea of returning to the antique principle of *noblesse oblige* – the responsibility of the elites to care for their environment. To enable the elites to take responsibility and implement solutions, the author emphasises that we need to overcome the “lack of trust in the ruling class”. Another author argues that the public has lost its confidence into the elites due to “would-be meritocrats”. The Leader of Tomorrow sketches a “politics of respect” policy to gain back confidence of the public and build a real meritocracy, as system in which becoming the elite is based on merit rather than on wealth or class privileges, the “Meritocracy 2.0”.

In contrast to these perspectives, one Leader of Tomorrow encourages the reader to rethink elites and “make a U-turn towards the [first] definition of elite”. The author refers to the famous book *A Brave New World*, which depicts future elites as “hedonistic, narcissistic, money-driven and shortsighted”. Redefining elites, the Leader of Tomorrow posits “we do not live in a caste system of Alphas, Betas and Gammas, and that in our society, principals can become agents”. Thus, we need to take responsibility rather than seeing ourselves as victims. Another Leader of Tomorrow argues that responsibility rests with both elites and non-elites and supports the arguments with examples from India, where specific cases of cooperation

between elites and non-elites have proven to be successful. Based on these arguments and examples, the author proposes a joint four-step process as a solution to today’s problems. One Leader of Tomorrow demonstrates the importance of cooperation and alignment of interest using the example of former president Yanukovich’s fall in Ukraine. This case “illustrates that even though an exclusive focus on self-interest might maximise the short-term welfare of an elite, in the long run this may be compensated by a complete elimination of its privileged position if the public’s patience expires”. Consequently, elites have the choice of transforming themselves or being transformed. The author discusses five areas on which elites need to focus to prevent “being transformed”.

#### POLITICAL AND CORPORATE SOLUTIONS

Another strand of essays focuses on the role of politics and corporations as the elite to solve today’s issues. With the aim of redistributing wealth, one contribution proposes two solutions: First, governments could ask “wealthy elites to participate in social innovation by financing social programmes, and would reward them with financial return if projects happen to be successful and generate savings for the state”. The second proposal suggests that transparency and corporate social responsibility (CSR) could incentivise corporations and individuals to finance social projects, as it would enhance their brand image. In a similar vein, one Leader of Tomorrow argues that corporations are the elites who are able to drive change as they “have the financial and human capital, market power, global scale along with the financial motivation to do it”. The author illustrates ways of cooperation between organisations such as the United Nations, governments and corporations as best case examples.

Two Leaders of Tomorrow direct our attention to solutions in the political sphere. One contribution proposes micro-democracy as an alternative to democratic elitism. The author emphasises that “democracy is not simply an issue of structures, it is an idiosyncratic notion that should be implanted at the micro-structures of the society, it should be rooted and fortified so as to acquire the prospective of encapsulating the entire society, the entire country, the whole global governing state”. Relatedly, another Leader of Tomorrow stresses the need to reintroduce deliberative democratic principles into the political process.

Finally, one author discusses specific solutions for developed and developing states. In the case of developing states, this Leader of Tomorrow posits that “elites in the developing world ought first to prioritise public order, political reform, basic services, and infrastructural development for the populace as a whole. Once these structures are in place, elites can begin the difficult task of admitting others to the elite status they enjoy”.

#### EDUCATION, INFORMATION / KNOWLEDGE, AND TECHNOLOGY

A third strand of essays emphasises the importance of education and the role of open access to information and knowledge, as well as of technology, in redefining or influencing elites. The previously cited author stresses, now with a focus on developed states, the importance of preserving “educational mobility: the ability of all children, regardless of parentage, to acquire a high-quality education”. Another Leader of Tomorrow addresses the topic of reducing the gap between developing and developed countries and sees potential in the “Learning Society”, a philosophical concept that is based on the idea of a better redistribution of knowledge throughout society.

Particularly, one contribution illustrates the strong potential of open access to information and knowledge in revolutionising elites. This author describes different waves of globalisation and coins the term “tetra-globalisation” as a wave of globalisation that allows elites to be self-selected because information is universally accessible. While “elites have formerly risen to power on the back of dynasties, privilege, and advantage,” the Leader of Tomorrow argues, “free access for all to information and the associated qualifications is a solid stepping stone to eroding the exclusivity of the small group of elites that lead society”. The author’s arguments are supported by the fact that the entire essay is written based on information that was publicly available.

Two Leaders of Tomorrow, with opposing views, address the relationship between elitism and technology. While one Leader of Tomorrow demonstrates how technology and science have been permeated deeply by elitism, and thus sees technology as part of the problem, another Leader of Tomorrow underlines the need to “create global technological solutions”. Finally, a notable and unconventional contribution suggests that contemporary architectural elites play an important role in solving today’s issues, such as housing shortages and environmental issues. The author places hope in them and believes that they can get “reverence and mutual encouragement, promote long-lasting peace and development of [the] world collaboratively”.

### III. IMPLICATIONS AND CONCLUSIONS

As this review shows, there is a substantial variety in themes, ideas, case examples, and methodological approaches to address the topic *Proudly Small* of the 45<sup>th</sup> St. Gallen Symposium. Indeed, the contributions allow a very differentiated picture of this year’s topic. Though it is hardly possible to derive a compre-

hensive picture of the pressing questions about this year’s topic that are addressed by the Leaders of Tomorrow, some aspects are particularly notable and appear to represent many of them.

Question 1: “What is the next small BIG thing?”: The Leaders of Tomorrow were asked to “think about unconventional ideas, undiscovered trends or peripheral signals that may turn into groundbreaking changes for societies” and to “present one idea which is not on the radar of current leaders yet but will change the game in business, politics or civil society”. The extremely diverse set of ideas of the Leaders of Tomorrow relate to data and technology, health, politics, and the society more generally. There is also a remarkable geographic diversity of the contributions’ contexts, including examples from Brazil, China, and Pakistan.

Question 2: “Collaborative Small State Initiative”: The Leaders of Tomorrow were asked to “explore a common agenda for small and prosperous countries and identify one joint project that would increase the relevance of small states on the global stage”. Although this question attracted fewer contributions than the other two, the breadth of ideas and perspectives on small states collaborative initiatives is noteworthy.

Question 3: “Elites: Small but superior groups rule the world – At what price? The Leaders of Tomorrow were asked to share their “thoughts on how elites are supposed to emerge and transform in the 21<sup>st</sup> century.” Reflecting the vast challenges faced by elites, the Leaders of Tomorrow presented a variety of possible solutions and actors, including the role of education, knowledge, and technology, involved in transforming and emerging elites in the 21<sup>st</sup> century.

Because of the highly interesting ideas of the Leaders of Tomorrow, many aspects had to be neglected and this

summary may sometimes appear reductionist. Despite this limitation, it may stimulate discussions during the 45<sup>th</sup> St. Gallen Symposium, both among the Leaders of Tomorrow and the Leaders of Today. In addition, it may encourage the participants to reflect on and to critically discuss the symposium’s topic, *Proudly Small*.

This review was written by Prof. Dr. Markus Menz and Elisabeth Radek from the University of St. Gallen, based on the cooperation with Swiss Re and the St. Gallen Symposium. Markus Menz is Scientific Advisor to the St. Gallen Wings of Excellence Award.



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