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essay review

THE CLASH OF GENERATIONS – THE LEADERS OF TOMORROW’S PERSPECTIVE

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I. INTRODUCTION

This article summarizes 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 44th St. Gallen Symposium: “The Clash of Generations”. Based on an analysis of the top contributions to the 2014 St. Gallen Wings of Excellence Award of this year’s St. Gallen Symposium, the article organizes 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 54 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 four clusters, this summary presents the content foci, contextual aspects, and methodological approaches accordingly. The article concludes with a summary of the overall implications.

II. THE LEADER OF TOMORROW’S PERSPECTIVE

The participants in this year’s St. Gal-

len Wings of Excellence Award had to select one of four specific topic clusters for their essays:

Cluster A: Balancing generational claims

Cluster B: A double-edged legacy

Cluster C: A prospect for the young

Cluster D: Business between generations

Since most essays submitted to a specific topic cluster had corresponding topic foci, this review is organized accordingly. Of the top 54 contributions, 10 essays related to Cluster A, 11 essays to Cluster B, 23 essays to cluster C, and 10 essays to cluster D. As illustrated in Table 1, the distribution of the top essays to the four topic clusters is largely representative for all essay entrants.

	All Award Entrants	Top Contributions
Cluster A	16%	19%
Cluster B	25%	20%
Cluster C	46%	42%
Cluster D	13%	19%

Table 1: Distribution of Essays among the Four Topic Clusters

II.1 Cluster A: Balancing generational claims

Almost every fifth essay of the top contributions relates to Cluster A, “Balancing generational claims”. The Leaders of Tomorrow were asked how intergenerational claims could be balanced without relying on selflessness

and while aiming at a sustainable welfare system. Within this cluster, common topics are demographic change, debt, inheritance practices and the lack of incentives for the self-interested human as reasons for the “broken” generational contract.

Several Leaders of Tomorrow view the powerful baby boomers as an obstacle to policies that would balance intergenerational claims. One Leader of Tomorrow finds that “across democracies, elderly people’s share of votes is way too significant for any political party to touch this age group’s interests, at least in the absence of strong and immediate market pressures”. Another author points out that “the feeling of intergenerational injustice is amplified when gerontocrats make myopic decisions that yield short-term benefits to themselves, but at once trigger devastating long-term consequences that they will not personally have to suffer from”.

The power of baby boomers and humans driven by self-interest are seen as the main reason for current policies favouring the older generation. Taking into account the self-interested human being, several Leaders of Tomorrow see creating incentives as the solution. One Leader of Tomorrow suggests behavioural policies that comply with human nature and “change decision-making frameworks without controlling behaviour, leaving us free to make choices that improve both present and future outcomes”. Another Leader of Tomorrow highlights the importance of inventing economic and social structures that ensure a stable balance of genera-

tional claims through incentives. The author identifies four areas of clashing claims between the young and the baby boom generation: pensions, technology, debt and environment. To overcome these clashes and unite differing perspectives on technology and the environment, the author views communication and reciprocal tolerance as solutions.

Another Leader of Tomorrow introduces the idea of limiting individual inheritance to a fixed amount (e.g., 0.5 million Euro) and pooling the surplus financial assets to fund the pension system. This suggestion is not intended to discourage personal wealth creation and accumulation, but rather to encourage wealthy members of society to “enjoy the result of their efforts as long as they can” and, thus, to “reintroduce formerly personal assets into the cycle of value creation”. Also proposing a policy solution to meet the self-interested human’s needs, another contribution suggests a point system for social work. Based on the message, “If you want to be taken care of tomorrow, take care of someone today”, young people should collect points by helping others and spend them when elderly and in need of support.

In addition to the policy solutions, three Leaders of Tomorrow call for attitudinal solutions, such as increasing mutual understanding, curiosity and liberalization of thoughts to enhance better decision-making. One author compares different cultures and finds that Indians are rather focused on saving, compared to US Americans, who often live their whole life in debt. The author argues that high debt and scarce resources provide an opportunity for innovation.

II.2 Cluster B: A double-edged legacy

One-fifth of the top essays refers to

Cluster B, “A double-edged legacy”. The Leaders of Tomorrow were asked to describe the legacy being left behind by the preceding generations in their respective countries and to propose a generational contract defining mutual responsibilities on an economic and social level. Particularly notable is the diversity of different cultural contexts that are explored in this cluster’s contributions. The Leaders of Tomorrow mention a variety of challenges they are inheriting: corruption, complacency, depravity, education, healthcare, youth unemployment, unwillingness to cede power to the younger generations, institutions in doubt, self-interested individuals, unsustainable models of growth and consumption, debt and scarce resources.

Three Leaders of Tomorrow propose cooperation and intragenerationality as a solution to these problems. One Leader of Tomorrow tells three stories from Bosnia and Herzegovina to demonstrate how the inter- and intra-generational contract inside the country has failed. Despite these difficulties, the author takes a positive perspective and, to solve these problems, calls for “cooperation between us all, inside and outside country’s fragmented society, across generations”. Another Leader of Tomorrow mentions Japan as a model for a failed generational contract, as it was based on the pyramid shape of the population and a vertical axis which links the generations, where “the young are supposed to support the elder, and in exchange the young will be supported by the younger in the future”. The author further argues that this is not sustainable and calls for a paradigm shift by placing a horizontal contract within generations, which requires commitment from all generations. Specifically, the author proposes compulsory voting to “foster these mind-sets and also act

as a societ[al] glue to hold the generations together”.

Another Leader of Tomorrow uses the example of India and approaches the double-edged-legacy from a game theory perspective with two utility-maximizing generations. The author regards “intragenerationality” as the way to overcome corruption, depravity and the indifferent. Similarly, one Leader of Tomorrow advocates breaking the cycle of complacency. The author reminds us that the “accomplishments of a generation should be judged according to context” and that the real accomplishments of the previous two generations are equal rights, the formal abolition of racism and the empowerment of women rather than cheap smart phones. Yet another author addresses the challenges of inheriting unsustainable models of growth and consumption, debt and unemployment in an environment of scarce resources from a behavioural perspective. This Leader of Tomorrow specifically emphasizes the need to be more brave and for transformational leadership to overcome the problems society faces.

A historian among the Leaders of Tomorrow posits that “the past is not dead – in fact the past is living with us and the young people of today are bearing the impacts of the past generation’s mistakes”. Therefore, the author invites the younger generations to first look back to understand where we “have lost our way” and then look forward in order to decide upon the future we want. Quoting the East Asian proverb “A generation plants the trees in whose shade another generation rests”, another Leader of Tomorrow highlights the importance of reflecting on the past while calling for a future-oriented generational contract. In particular, this author asks for “sustained investments in public, human and natural capital de-

velopment; and institutional mechanisms that facilitate intergenerational dialogue and consensus”.

Two Leaders of Tomorrow discuss governmental and institutional solutions to the challenges faced by the younger generations. Providing the example of Nigeria, one author argues that both economic and social solutions are needed to prevent the country from becoming a failed democracy. This Leader of Tomorrow proposes specific solutions for corruption, healthcare, education, and youth unemployment. Another Leader of Tomorrow states that institutions are being questioned because self-interested individuals have created them. Taking the example of the Universal Declaration on Human Rights, the author proposes the development of a charter based on decisions about the meaning of the common good. Moreover, the author highlights the need for reforming today’s individualistic culture and defining a new social contract.

Finally, one Leader of Tomorrow who observes a monopolization of power by the older generations provides the example of the “ancient Hindu system of Ash-rama Dharma under which the elderly voluntarily change gears from decision makers to advisors, followed by complete withdrawal from worldly affairs over time” as a possible solution.

II.3 Cluster C: A prospect for the young

More than 40 percent of the top contributions focus on Cluster C, “A prospect for the young”. In this subtopic, the Leaders of Tomorrow were asked to address the challenge of providing youth with promising prospects for the future, in particular ways to solve the problem of youth unemployment. The recommendations include general, po-

litical, and corporate solutions and frequently highlight the role of knowledge, entrepreneurship, and technology. Again, the diversity of the contribution’s contexts, including examples from Pakistan, Germany, China, Spain, Thailand, and the US, is remarkable.

Interestingly, only two contributions do not explicitly focus on youth unemployment. One Leader of Tomorrow introduces Moritz Eberhardt, an intern at Merrill Lynch London. Eberhardt had a fatal epileptic attack on 15 August 2013, possibly triggered by exhaustion from extreme overwork, to criticise the culture of high work for uncertain rewards, which is common in certain industries and corporations. The author proposes that excessive workweeks should be immediately prohibited. Another Leader of Tomorrow proposes a way of turning the clash of generations into a collaboration of generations through three steps. First, there is a need to listen to each other. Second, there is a need to act sustainably in business and private, considering the needs of future generations. Third, there is a need to communicate these ideas and encourage people to develop solutions.

General, Political, and Corporate Solutions

A first strand of essays suggests comprehensive frameworks that frequently address the role of politics and corporations in overcoming youth unemployment. One Leader of Tomorrow aims at convincing the reader of three uncomfortable truths: First, that the assumption that we are able to fully determine and find personal fulfilment in our career paths no longer holds (and maybe never truly did). Second, that we have already entered into an era of post-scarcity, in which full employment is no

longer economically viable, requiring a fundamental rethinking of how we understand paid work. Third, that the current (youth) unemployment crisis can only be solved if we commit to profound attitudinal change and large-scale redistribution. Another Leader of Tomorrow suggests “renewed emancipation and idealism as vectors for change”. Arguing that youth unemployment is a demographical problem, the emancipation of both young women and men as well as increased participation and representation of young people in the public sphere are possible solutions. Mobility, transparency and worldwide equity are considered equally important. In addition, the author suggests that younger people are inherently idealistic, which is a potentially powerful mobilising characteristic.

One Leader of Tomorrow discusses the current youth unemployment crisis in European countries and suggests three long-term solutions: (1) Reform the skill-sets taught to students at our schools and universities; (2) replace simple labour market policies; (3) reinvent exchange markets for value by entrepreneurial actions. Another Leader of Tomorrow presents the case of Pakistan, which has the highest number of youth in its history and faces a huge unemployment challenge. The author argues that the rising rate of terrorist attacks in Pakistan has led to a risk of youth radicalization, with youth unemployment being one of the major factors contributing to this risk. The authors suggest several broad solutions, such as education, modelled by other countries.

One Leader of Tomorrow finds that youth unemployment is primarily a political problem and that therefore political solutions are needed. The author suggests that to solve the youth unemployment crisis, a political system that

holds politicians accountable for the welfare of youth is required. Specifically, the author advocates mandatory voting, which may fundamentally alter election results and would force policy makers to enact legislation specifically designed to alleviate youth unemployment. Another Leader of Tomorrow states that youth unemployment is fundamentally due to people's lack of readiness for rapid social and technological changes, but more importantly, due to inefficient politics at the national level. The author proposes revamping electoral and political systems as a long-term solution. Similarly, a further Leader of Tomorrow suggests that the role of the state is to remove the barriers to motivation and risk-taking, and to encourage young people to take conscious and well founded decisions. Flexible education systems and convincing society that career changes do not equal failure will reduce the perceived risk.

Other contributions highlight the importance of corporations and leadership. One Leader of Tomorrow shifts the attention to the role of corporations in lowering youth unemployment. Companies should create new and flexible "corporate models" suited to the needs of "Generation Me". Companies should also intensify their collaboration with educational institutions to foster the development of necessary skills. Another Leader of Tomorrow finds that the young generation asks for more freedom and fewer barriers and they look for "a secured place in an ever-changing society; they look for security of job, security of health, security of values". According to the author, this may imply a reshuffling of leadership.

The Role of Learning, Entrepreneurship, and Technology

Another strand of essays concerns the importance of learning, innovation, entrepreneurship, and technology in providing youth with promising prospects for the future. One Leader of Tomorrow suggests that knowledge sharing and learning from each other's experiences facilitates innovation and, thereby, may help to reduce youth unemployment. The author specifically suggests that cloud-based collaborative platforms should be used. The author also contemplates the nature of schools that would best correspond to such a system, emphasizing the importance of accepting failure and engaging in life-long learning. Somewhat similarly, another Leader of Tomorrow finds that solving the problem of youth unemployment is technology-dependent. The author suggests three solutions based on "learning, relearning and unlearning", which originate from the idea that the acquisition, application, and transformation of knowledge is critical for making effective use of technology. Taking a different perspective, one author uses the example of Thailand and argues that there is a shortage of young talented people, primarily due to the failure of the education system. To solve the problems, the Leader of Tomorrow suggests that both the public and private sectors must collaborate.

Other contributions highlight the importance of entrepreneurial thinking and activity in lowering youth unemployment. Specifically, one Leader of Tomorrow draws on personal experience in Germany and proposes that the young generation needs to be courageous enough to create start-ups to stimulate the economy. This model can then be exported to other regions where it is lacking. Another Leader of Tomorrow suggests a European network for entrepreneurial activities, which may not only include ideas and

expertise but also allow start-ups to connect with investors. With the help of the network, unemployed European youth are provided with jobs and enabled to engage in intercultural exchange. Further, one Leader of Tomorrow presents a holistic strategy to tackle youth unemployment that includes (1) promoting entrepreneurship, (2) incentivizing vocational training, (3) and facilitating information flow between employers and graduates. Another contribution suggests two different solutions to resolve the problem of youth unemployment. First, the collaborative crowdfunding of entrepreneurs through a public-private partnership in order to foster the creation of new jobs; second, the creation of a global employment market including the international right of freedom of movement of economic migrants. More generally, a further Leader of Tomorrow uses an animated presentation to make the case for fostering a "creative economy" that encourages entrepreneurship. The author argues that despite the government's effort, young people in Korea and China still do not see startups and self-employment as viable options, particularly because of their fear of failure. One Leader of Tomorrow blames the young generation and suggests that the young should "get their hands dirty" and should be encouraged to redirect the wrong perception of the seemingly dirty jobs. Based on personal experience, the author recommends that the youth should be encouraged to create niche jobs and create their own jobs by building upon their soft skills and creativity.

Notably, several essays highlight the importance of science and technology in reducing youth unemployment. One Leader of Tomorrow suggests an "Apollo project for science and technology". Specifically, to tackle not just societal

problems but also challenges such as climate change, the author proposes a massive public program to build new research clusters. By hiring the highly educated Generation Y and training and motivating the young to be scientists, innovative technologies will be developed that may tackle the challenges ahead. Using the example of the high unemployment rate of the Chinese college graduates, another Leader of Tomorrow identifies the structural imbalance of supply as one source of the problem. The author suggests that analysing Big Data can solve the mismatch problem. Finally, one Leader of Tomorrow suggests replicating the success case of Silicon Valley – a youth-driven, entrepreneurial culture built around technology – to help create jobs for local youth. Specifically, the author suggests this may be enabled by two recent trends: the democratization of manufacturing (through 3D printing) and the democratization of skills (through online learning platforms).

II.4 Cluster D: Business between generations

Almost every fifth top contribution focuses on Cluster D, “Business between generations”. In this subtopic, the Leaders of Tomorrow were asked to discuss the future of the shared economy, its overall implications, and the dynamics between supply and demand. The essays predominantly focus on the opportunities being created by shared economy, as well as on the challenges and conditions for successfully sharing more and owning less.

Several Leaders of Tomorrow have a positive perspective on the shared economy and place hope in it as a solution to the current challenges. After exploring the forces that shape this trend (such as the IT revolution, scarce resources and increasing income dispari-

ty), one Leader of Tomorrow posits that the “shared economy is not a temporary trend and it is here to stay and develop in the future.” The author finds that the shared economy is a possible new economic model, allowing for more efficient resource utilization and faster social progress. Adding to these thoughts, another contribution views the sharing economy as a consequence of the economic, social, and environmental context and as a rational way of coping with life’s challenges as a young person. Another Leader of Tomorrow posits that the “shared economy is not so much an avant-garde attempt at replacing conventional models of commerce as it is an outlet of creativity born out of genuine needs”. Otherwise, one author finds that sharing, hosting, and exchanging services in local communities is not new. What is innovative, they say, is its scope, enabled through the global use of the Internet.

Also taking a positive, yet more cautious perspective, one Leader of Tomorrow argues, “trust, as the basic condition of sharing, is absolutely indispensable to unlock potential in the new economy through omni-generational engagement. It certainly is realistic for generations to collaborate effectively in the shared economy, and for businesses between generations to become a part of our everyday lives in the future, but we can only share if we trust each other”.

Directing attention to the influence of public spaces and environments on our behaviour and interactions, one Leader of Tomorrow points out that the “sharing economy appears to be pulling farther away from our physical spaces, offering goods and services accessible only through digital means”. As a solution, the author emphasizes the need for “analog counterparts to the digital realms” and transformation from own-

ership to access models. Another contribution transfers customer insights from the shared economy to professional life and in particular personnel management. With the demand for information sharing and interactive corporate practices on one side, and the Generations Y’s expectations regarding work-life-balance on the other, the author calls for a balanced approach between leadership style and organizational culture. Specifically, companies should “operate more as a network of autonomous self-controlling teams, moderated by managers, rather than an organization controlled by a central management unit.” To achieve sustainable success, the author points out that just like dealing with customers in a shared economy, “an open feedback culture, flexibility, individualization - will have to be part of future personnel management”.

Being aware of the positive aspects of the sharing economy and its successful beginning, one Leader of Tomorrow has a more critical view. The author questions whether the sharing economy will be able to “keep its promises of salvation” when it comes to social welfare and environmental conservation. As a precondition for changing the economy, the Leader of Tomorrow argues that only if “sharing is not sacrificed for commercialism” can a democratizing effect occur.

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 “The Clash of Generations” of the 44th St. Gallen Symposium. Indeed, the contributions allow a very differentiated picture of this year’s topic. Though it is hardly possible to derive a comprehensive picture of the pressing questions

addressed by the Leaders of Tomorrow here, some aspects are particularly notable and appear to represent many of them.

Cluster A, "Balancing generational claims":

The Leaders of Tomorrow were asked how intergenerational claims could be balanced without relying on selflessness and while aiming at a sustainable welfare system. Common topics of the contributions are demographic change, debt, inheritance practices, and the lack of incentives for the self-interested human as reasons for the "broken" generational contract.

Cluster B, "A double-edged legacy":

The Leaders of Tomorrow were asked to describe the legacy being left behind by the preceding generations in their respective countries and to propose a generational contract defining mutual responsibilities on an economic and social level. Particularly notable is the diversity of different cultural contexts that are explored in this cluster's contributions. The Leaders of Tomorrow mention a variety of challenges they are inheriting, such as corruption, complacency, depravity, unwillingness to cede power to the younger generations, self-interested individuals, unsustainable models of consumption, and debt.

Cluster C, "A prospect for the young":

The Leaders of Tomorrow were asked to address the challenge of providing youth with promising prospects for the future, and particularly to provide solutions for youth unemployment. The recommendations include general, political, and corporate solutions and frequently highlight the role of knowledge, entrepreneurship, and technology. Again, the diversity of the contribution's contexts, including Paki-

stan, China, and the US, is remarkable.

Cluster D, "Business between generations":

The Leaders of Tomorrow were asked to discuss the future of shared economy, its overall implications, and the dynamics between supply and demand. The contributions predominantly focus on the opportunities being created by shared economy, as well as on the challenges and conditions for successfully sharing more and owning less.

Because of the vast number of very interesting ideas presented by the Leaders of Tomorrow, many aspects had to be neglected and this summary may sometimes appear reductionist. Being aware of this limitation, however, it may stimulate discussions during the 44th St. Gallen Symposium, both among the Leaders of Tomorrow and with the Leaders of Today. In addition, it may encourage participants to reflect on and critically discuss the Symposium's topic, "The Clash of Generations".

This review was written by Professor Markus Menz and Elisabeth Lange from the University of St. Gallen, in cooperation with Swiss Re and the St. Gallen Symposium. Markus Menz is the Scientific Advisor to the St. Gallen Wings of Excellence Award.



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