The St. Gallen New Narrative Initiative

By Tomas Casas Klett

The ‘St. Gallen New Narrative Initiative’ was launched during the 55th St. Gallen Symposium on May 7th, 2026. At the kick-off workshop, a dozen participants volunteered their time and knowledge to discuss the thesis: “Do we need a new global narrative for the 21st century?”

What are narratives?

So, what exactly are narratives, and why does the narrative market matter in the modern political economy? Narratives provide a way for ordinary citizens to contribute to and shape inclusive institutions. It is thus all the more galling that we continue to rely on narratives created in the 19th and 20th centuries that fail to account for the great transformations we are witnessing today—from the rise of AI, to the rapid emergence of a multipolar world and non-Western power. Narratives are not stories—complete, self-contained, and passively consumed by audiences—but open-ended, unfolding sequences that invite participation and co-creation.

From Plato’s “noble lie” to Gramsci's cultural hegemony, from Foucault's discourse to Lyotard's “*petits récits*”, narratives bestow power and hold sway over ‘minds’. Elites employ them to increase their coordination capacity, legitimise their licences to operate, and maintain dominance. Narratives also shape behaviour, as Shiller's proposal for narrative economics makes clear. They have a life of their own and compete with each other in ‘narrative market’ arenas for a share of human cognitive and affective bandwidth.

The importance of the narrative market

Power is accumulated in the three domains of the political economy: 'mind', ‘money’, and ‘might’. The narrative market (‘mind’) is thus one of three contest arenas, alongside the economy's 'market' arena (‘money’) and the 'non-market' arena of politics (‘might’). Well-crafted narratives that go viral boost bargaining power at a very low cost.

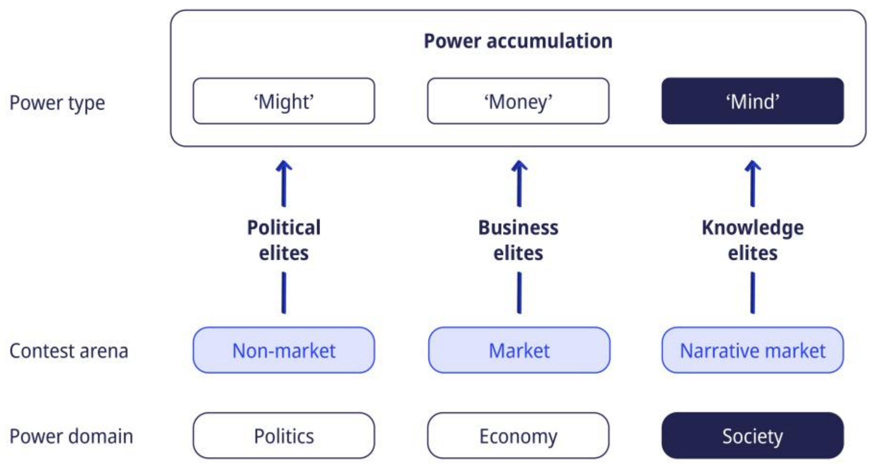

Figure 1: *Power accumulation in the three political economy contest arenas* (Adapted from Figure 1.2, Casas-Klett, T., 2026)

The narratives that prevail in society's narrative markets see their power crystallised in institutions, changing the rules of the game and how value is distributed. They enable elite business models to win intra-elite contests, influence stakeholders, and obtain the power to either create or extract value.

Those seeking to improve or create a better society must seek institutional change by first scoring wins in the narrative market arena, regardless of their economic resources or political influence.

Citizens and the narrative market

Shared narratives are a gravitational force holding society and the broader elite system together by creating a common identity, a set of goals, and a type of 'sensemaking' that reduces transaction costs and benefits everyone.

Of course, narratives can also be dangerous, and history provides us with a multitude of cautionary tales. Sophisticated narratives are often used to legitimise extractive value transfers, justify wars, allow discrimination, monopolize power, or permit onerous regulations or unjust taxes by facilitating non-elite 'acceptance' of business models that appropriate value they have not originally created.

At the same time—and this is crucial—the narrative market provides a pathway for ordinary people to advance *their* interests. Creating, adopting, or supporting narratives that align with the preferences of high-quality elite coalitions, allows citizens to participate in and shape politics.

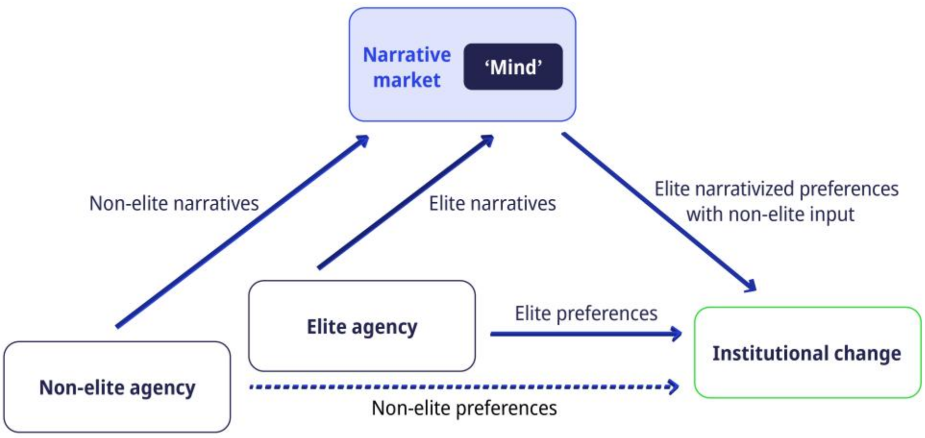

Figure 2*: The narrative market as a mediator in the institutional change model incorporating non-elite narratives* (Adapted from Figure 3.5, Casas-Klett, T., 2026).

The lack of a 21st century narrative

The 20th century saw fierce competition in the narrative markets—from liberal democracy to communism to fascism. In the West, the narrative that created the greatest amount of value did fortunately prevail, but only after catastrophic global conflicts. The triumph of the 'good' liberal democratic narrative enriched the world materially (and morally) and provided foundational hope for the generations to come.

Today, after more than a quarter of the 21st century, the narrative market has seen no new entrants of significance. At the same time, the old narratives have fractured and their legitimacy has collapsed in the face of economic and geopolitical crises, social polarisation, deinstitutionalised intra-elite contests, and policy paralysis.

Despite having different backgrounds and ideological positions, the participants at the kick-off workshop for the 'St. Gallen New Narrative Initiative' concurred that new, shared, and coherent narratives are now necessary to address the erosion of social cohesion that is apparent in many countries. At the global level, new narratives might also act as a critical foundation for greater peace and stability.

The next generation deserves better than the castaway narratives of a bygone century. It is time for grand narratives fit for our purpose and time.

Fortunately, narratives can be replaced; they are never static and all are subject to lifecycles. Narratives evolve, go viral, and can be captured and domesticated, before eventually being discarded as circumstances, technologies, and social realities advance. But as we grapple with the tectonic shifts created by the uncertainties of AI, the emergence of China and India, and the climate crisis, the dominant narratives are fading away and losing legitimacy, with no replacements in sight. The St. Gallen Symposium sees this gaping void as an opportunity.

Call to action

The ‘St. Gallen New Narrative Initiative’ will not propose a new narrative. Rather, it offers a working space for the leading minds of this generation and the next to explore narrative needs and possibilities. For instance, we will discuss the social problems that new narratives need to address, including the conceptual structures that connect the dots between them. Fundamental values and the economic principles of new narratives will also be part of the conversation.

In the next steps, we will convene in virtual meeting spaces and face-to-face events in preparation for the 56th St. Gallen Symposium in April 2027. With intellectual rigor and a structured approach, the ‘St. Gallen New Narrative Initiative’ will develop and propose building blocks for new narratives. The kick-off workshop has already generated the following insights:

- A 21st-century narrative is necessary in the face of geopolitical tension, demographic change, technological disruption, climate risk, and the increasing lack of optimism that is evident in large segments of the global community.
- The narratives of the 21st century must be rooted in values that reflect a diverse world; they cannot be exclusively Western.
- Future grand narratives will be plural not singular. There can be no single unifying narrative, but multiple iterations fit for local cultures and diverse political economy needs.
- In the era of AI, all grand narratives need to have humans deeply embedded at their centre, while at the same time possessing an economic rationale that fosters development, prosperity, and growth.
- No matter what narratives emerge, common denominators are needed so that productive exchanges can create trust across nations, especially now that we face tipping points associated with tragedies of the commons in how value is created and extracted.

With luck, the work will also be taken up by others and integrated into something larger than the St. Gallen Symposium. Nothing can determine the course of the future quite like powerful narratives that can energise human hearts and minds.

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