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CREDIT SUISSE

# Bulletin

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Issue 1/2019



## Crucial questions for a changing world

Discussions on the challenges facing us  
in the 21st century



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Cindy Cohn



Aengus Collins



Peter Frankopan



Arnold Furtwaengler



Edward Glaeser



Craig Malkin



Miriam Meckel



Joachim Oechslin



Tony Rinaudo



Jeffrey Sachs



Michael Strobaek



Pavan Sukhdev



Swiss Economics at Credit Suisse

Carla Wassmer



Cover:



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# The importance of the public debate

We are living in a time of major global challenges. Protectionist tendencies and geopolitical risks are on the rise. International trade agreements are under pressure. Rapid technological developments are having an impact on our society. In this issue of Bulletin, we talk with distinguished thinkers about some of the challenges facing us in the 21st century. We grapple with a wide variety of issues and find answers to questions that are of enormous importance to the world.

According to geostrategist Fareed Zakaria, we find ourselves in a post-American world order: “I think we’re going into a great unknown, uncharted moment in world history,” says Zakaria, a journalist and bestselling author (page 14). Joachim Oechslin, Senior Advisor - Risk Management at Credit Suisse, talks about the challenges that volatile markets pose for risk analysis and how uncertainties can be turned into calculated risks (page 50). And Cindy Cohn, a civil liberties attorney specializing in internet law, explains why children are the real experts on data privacy (page 46).

As we conducted the interviews for this issue, it was striking to note that everyone we interviewed is convinced that a discussion of value and values is critically important. As Oscar Wilde once wrote, “Nowadays people know the price of everything and the value of nothing.” Pavan Sukhdev, president of WWF International, exemplifies the current discussion. He shows how important it is to understand the value of nature and its contributions to our lives, and to take these things into account in economic calculations (page 22).

We are eager to join this discussion, as well as to address another major issue of our times: the role of journalism, along with media diversity and the future of the media industry. As the publisher of the world’s oldest banking magazine, we also want to know how our publication contributes to the public debate. We discussed these questions with Miriam Meckel, a journalist as well as founding publisher of *ada* magazine and professor of communication management at the University of St. Gallen (page 36).

We want to include you, our readers, in this discussion. On our title page, you have an opportunity to assess the value of this magazine. How much is its content worth to you? Share your thoughts at [credit-suisse.com/bulletin](https://credit-suisse.com/bulletin)

We look forward to your feedback and hope you will enjoy reading this issue.



Bulletin honored:  
The Bulletin won gold  
in the category  
“Writing: Magazine”  
at the prestigious  
Mercury Excellence  
Awards in New York.

Steven F. Althaus,  
Head of  
Global Marketing &  
Brand Communications

Mandana Razavi,  
Head of  
Corporate Responsibility &  
Stakeholder Communications

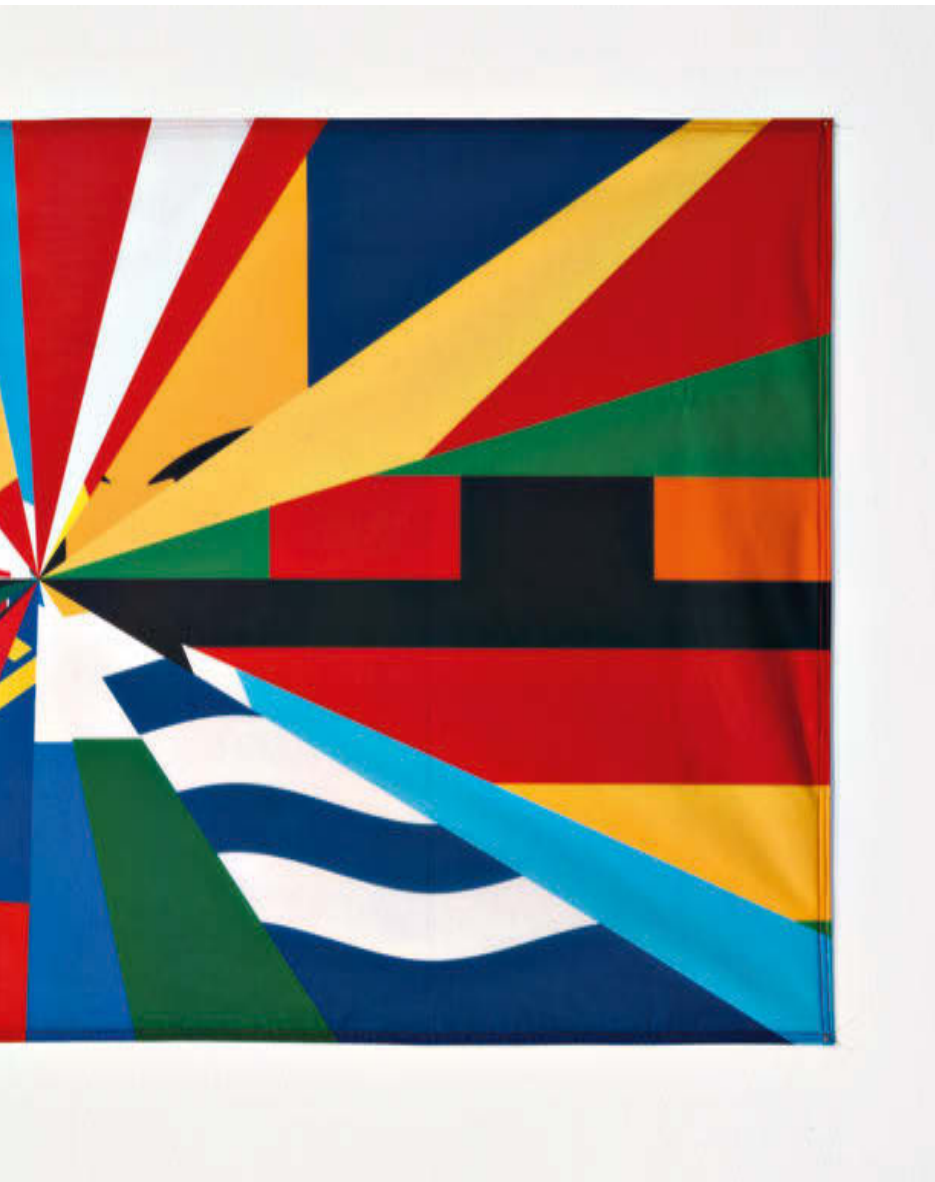
# Pictures



*How does art confront the challenges of today's world?*



# of the times



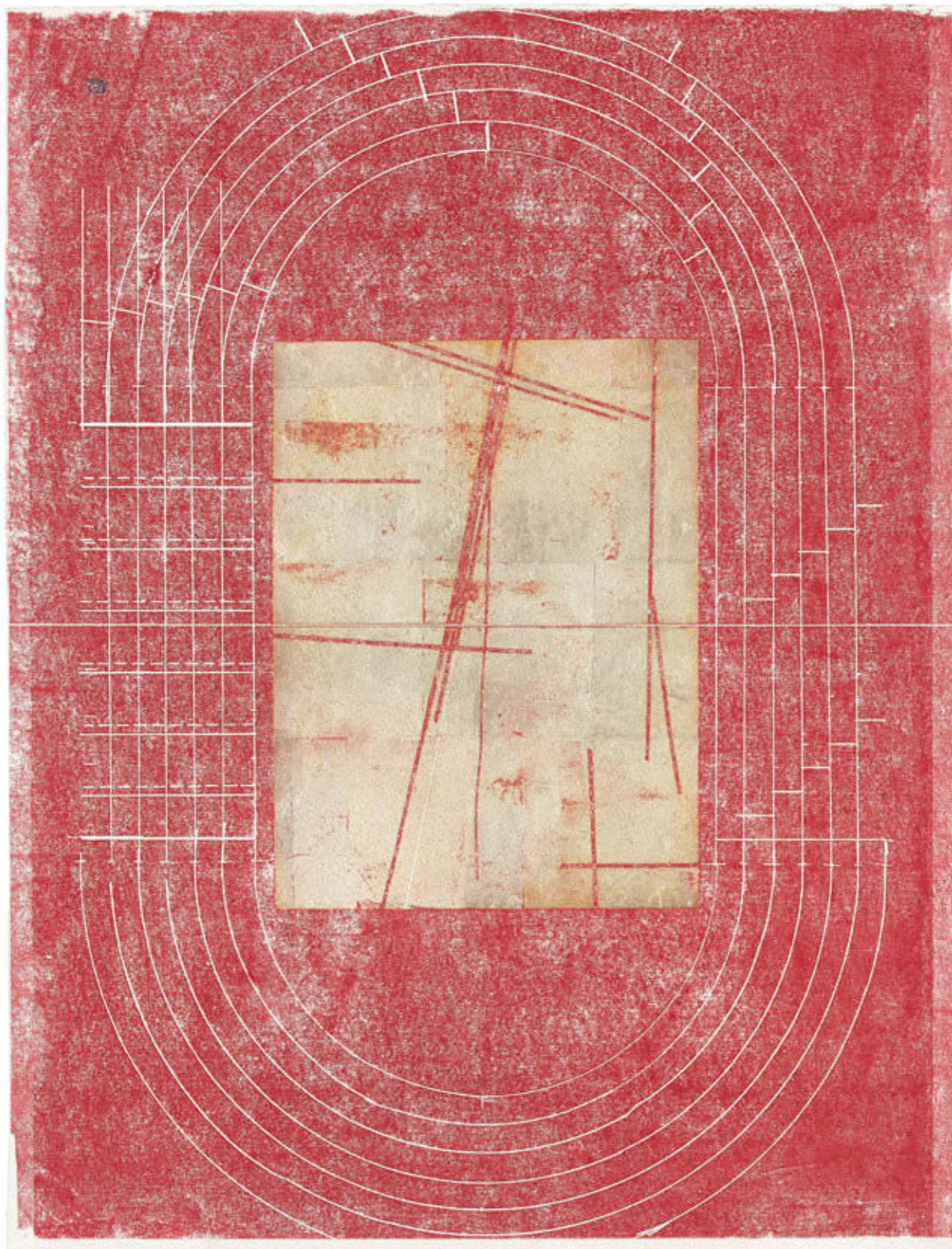
1

Seven answers from Ecuador to Switzerland.

1 James Bridle (born in London)/Citizen Ex Flags, 2015 The Citizen Ex flags are part of a project that calculates an “algorithmic citizenship” based on a person’s online behavior. At the core of this project is the idea that the websites we visit daily may appear to us virtually but they are associated with a real place in the world. 2 Amalia Ulman (born in Buenos Aires, lives in Los Angeles) / Privilege 1/14/2016, 2016 The Argentinian artist specializes in social media performances. In “Privilege” Ulman stages, among other things, her pregnancy in everyday office life, exploring the connection between identity and performance and its media representation. 3 Ronny Quevedo (born in Guayaquil, Ecuador, lives in New York)/Nazca Half-Time, 2018 This drawing shows ancient Nazca Lines – made by the Nazca civilization indigenous to Peru – surrounded by a jogging track. In this, as in most of his work, Quevedo combines Mesoamerican cultural heritage with contemporary conceptions of sport. The central theme of his work is the experience of migration among Central and South American immigrants.









Studio Drift, *Franchise Freedom*, Art Basel Miami 2017. Photo: BMW AG





4

4 Studio Drift (Amsterdam) / Franchise Freedom, 2017 This flying sculpture from Studio Drift is a performative work of art at the intersection of technology, science and art. Franchise Freedom is an autonomous swarm made up of hundreds of drones. It represents the tension between individual freedom and safety in groups.









5 Olafur Eliasson (born in Copenhagen, lives in Berlin)/Glacial currents (yellow, sienna), 2018 In addition to the precisely calculated ratio of pigment, India ink and melting glacial ice, chance plays a central role in this series of large-format watercolor paintings. With this artwork, Olafur Eliasson brings the subject of climate change and resulting changes into the consciousness of viewers. 6 Julian Charrière (born in Morges, Switzerland, lives in Berlin)/The Blue Fossil Entropic Stories, 2013 Charrière climbed onto an iceberg in the Arctic Ocean and melted the frozen water under his feet with a gas torch for eight hours, drawing attention to the disparity between geological time and human time. 7 Cao Fei (born in Guangzhou, lives in Beijing)/Asia One, 2018 This multimedia installation centers on a fictional film depicting modern industrial facilities in China, including the world's first fully automated sorting center in Kunshan, Jiangsu Province. The film follows the sorting facility's only two remaining human employees in a scenario that imagines how we might work together with machines in the future.





*The state of the world*

Geostrategist Fareed Zakaria analyzes the rise of Asia and the post-American world order. He cautions against what he calls illiberal democracy and the erosion of constitutional rights.

# “Nobody has a monopoly on the truth”

And he answers the question of how Western countries can better interact with those nations that are on the losing end of globalization.

Interview Daniel Ammann and Simon Brunner Photos Jeff Brown

Fareed Zakaria, you are one of the most distinguished observers and commentators of our time. In your view, where does the world stand today? We are experiencing a post-American world order. We are fundamentally moving from a world that has been completely and comprehensively dominated by the United States at every level: geopolitical, geoeconomic, cultural. That world is eroding, but nothing new is coming into its place. Thus far, China does not seem powerful enough, nor does it seem to have the ability or inclination to set the global agenda.

An unstable constellation?

Yes. This is a new experiment, in a sense, because for the last 250 years, we have had either a dominant hegemon – Great Britain or the United States – or we have had chaos and world war. Pax Britannica was followed by Pax Americana. So, we have not had a system of multi-polarity or even some version of that in which we have found a way to create mechanisms of order and stability, and maintain the international structures. I know it might sound very pessimistic. I don't mean it that way. I think we're going into a great unknown, uncharted moment in world history.



A power vacuum seldom leads to peace and prosperity.

That's true, unfortunately. You can see it in microcosm if you look at the Middle East today. The Middle East was essentially dominated by the United States ever since the Soviet withdrawal from Egypt in the early 1970s. The US played the kind of role that Bismarck wanted Germany to play in the 19th century, which is to say it had better relations with every country than they had with each other. So, it was the center of a hub-and-spoke system. That system has decayed because the United States is less willing to put in the time, effort, energy and expenditure, again, largely as a reaction to the Iraq War. Countries like Israel, Turkey, Saudi Arabia and Iran are, as a result, all jockeying for influence, which is causing a great deal of instability. You have, in the Middle East now, the worst humanitarian crisis in the world. Twelve million people in Yemen are on the verge of starvation, another 12 million people are in dire need of humanitarian assistance. Now that's the most vivid example, but one will start to wonder what happens if the United States gets less involved in Asia or Europe.

Returning to China:

It might not be a hegemon in the same sense as the US in the 20th century, but the country's GDP has grown 14-fold within the last 20 years, and it now claims 15 percent of global GDP. What do you think that means for the world? At an economic level, that is unmitigated good news. There will be more consumers, more savers, more investors in the world. All this grows the global economy. And after China will come India. It's not just that China has become quite big, but that it is also moving up the value chain very quickly. Most people would be surprised to hear that nine of the world's 20 top technology companies are from China. The other 11 are from the US, but

ten years ago, 18 or 19 of the companies on this list were American. China is at the cutting edge of the digital economy and will of course try now to assert its own interests and influence – just as the US and Britain did. The interesting question is whether the United States will allow this expanded self-interest on the part of China.

What do you think about it?

I've had discussions about this with policy-makers in Washington, who bemoan what China is doing in the world. They don't have an answer to the question of what they think an acceptable expansion of China would look like. They apparently have not strategically thought about what it actually means to have another country become an economic superpower and therefore a competitor. Graham T. Allison calls this Thucydides's trap, in reference to ancient Sparta's concern about the growing power of Athens and the resulting Peloponnesian War [*editor's note: 431–404 BC*]. One famous way to think about the United States is that the US has never been comfortable living in a world that it cannot isolate itself from or dominate. We are in exactly this situation today.

What does that mean for liberal democracy, which forms the foundations of the Western nation states?

Statistics and research have shown that the world is getting better and better. Health outcomes and living standards are rising while the number of wars is falling. But it is very difficult to argue that the world is getting better on one metric: liberal democracy. 20 or 25 years ago, Turkey had a better democracy than it has today by almost every measure.

1 “The US is pulling back from a world that it has dominated economically and politically for nearly one hundred years, and no one is taking its place.” Pictured: G20 summit in Buenos Aires in November 2018.

2 “Many people are surprised when they hear that nine of the 20 largest technology groups in the world already come from China.” Pictured: the new headquarters of the technology group Tencent in Shenzhen.

**Fareed Zakaria (55)** is an Indian-American journalist and bestselling author. He hosts his own program on CNN and writes a column in the Washington Post. Zakaria's many achievements include numerous honorary university degrees, a National Magazine Award and several Emmy nominations. He earned his Ph.D. from Harvard University at the age of 28 and became the youngest-ever editor of “Foreign Affairs,” the leading American magazine on international politics. Zakaria lives in New York. He has three children.









The situation is similar in Hungary, Poland and India. Latin America is seeing this trend as well. Look at Brazil – and even Mexico could be heading in this direction. And in all of these cases, what you see is what I call illiberal democracy: the rise of popular leaders who take advantage of their momentary popularity to erode the constitutional basis of liberal democracy.

The governments of all of these countries were democratically elected, and some of them are leading their countries to economic success. What, exactly, are you worried about?

There are two components to liberal democracy: the democratic component, with popular participation, voting, elections. But there is also the liberal component: the rule of law, the protections of individual liberty, the separation of church and state, and the freedom of the press. This liberal element is set out, for example, in the Bill of Rights in America. They are inalienable constitutional rights that cannot be abolished even if the majority wants to do such a thing. In other words, it's a check on democracy to protect against majoritarianism, from the "tyranny of majority," as Alexis de Tocqueville called it. Even these constitutional rights are seemingly being eroded in the illiberal democracies.

Why has there been such an influx of politicians striving for this type of illiberal system?

The great challenge for the Western world is to bridge the very deep divide within society between the people who have access to knowledge and capital who are doing well in the world and the people who do not have access to knowledge and capital, who are doing badly. And it is now becoming a very clear geographic divide: The people who live in cities and metropolitan areas are benefiting while the people who live in rural areas are losing. Look at the protests in France now. This is the backlash of a group of people who are less connected to the world. They don't benefit from France's great public transport system; they have to drive to work. They have low incomes, and now they have to finance the higher green taxes through increasing gas and diesel prices? A third or maybe more of

the population in the West feels they are not benefiting enough from the supposedly wonderful world of globalization and the information revolution. Although they see these growth numbers and higher wages, their lives aren't affected at all.

What do you think is going wrong here?

Interestingly, this situation has arisen because we in the West place great value on meritocracy – much more so than in the old aristocratic order. In a meritocracy, people are successful and rise because they perform well – at least, that's how the term is commonly defined. This makes people think that their own success is justified and legitimate, which suggests that people who are less successful are likewise at fault for their own failure. But the fact that we don't live in a purely meritocratic system is often overlooked: Not everyone starts from the same place and factors like luck also play a major role. So, in a weird way, meritocracy has had this unforeseen dimension of creating class conflict.

What can be done to make up for this imbalance?

That's a great question. We know all these forces that are pulling us apart. What are the forces that can bring us together? I think the first thing we have to do is create more opportunities for people who do not have access to capital and knowledge. To my mind, that means a much deeper investment in infrastructure. I think we need to think about ways to recognize that certain activities need greater help and maybe greater public

expenditures. So, I would be in favor of a new kind of redistribution that is focused on those who are losing out because of globalization and information technology.

What role can Europe play in the world?

Europe is an extraordinary experiment that works very well, overall. The continent has created and maintained institutions and norms that protect liberty and individual rights. Countries that warred against each other over centuries are now collaborating and coexisting peacefully. It's not as much as, maybe, some people dreamed about, but it's really extraordinary and a substantial accomplishment. I think what Europe needs to do is to be more strategic and active on the world stage and try to be the second pillar of freedom and democracy in the world, especially at a time when the first pillar, the United States, is weakened or seems uninterested in playing that role.

The West is struggling while the East is flourishing. In your own life you've experienced how the focus of the world is shifting.

When I left India in the early 1980s, it was a land of gloom and doom, of pessimism and decline. I came to America, a much more optimistic place. It was a land that was inventing the future. And now it feels like the reverse.

## The greatest challenge is to bridge the divide between people who have access to knowledge and capital and people who don't.

Even the American president seems almost pessimistic. His slogan, "Make America Great Again," implies a decline, after all. It's quite the opposite in India and other parts of Asia, where the mood is very optimistic, even about globalization, which has lifted millions upon millions out of poverty.

What is the upswing like for you when you're in India?

Just as an example, I went to the craziest wedding in the world; the bride was the daughter of Mukesh Ambani, India's richest man. It made "Crazy Rich Asians," the blockbuster about the bright young things of Singapore, look like a movie about the middle class. The Ambani clan is a good example of a typical Asian self-made success story: Unbelievable fortunes are generated here in extremely short periods of time.

India was a very hopeful place during your childhood as well; the nonviolent Indian independence movement of 1947 was still reverberating. What do you remember about that time?

Jawaharlal Nehru, India's first Prime Minister, died the year I was born [*editor's note: 1964*], but we had long-playing records of his speeches that we listened to as if they were music. I can still recite his speech on the moment India got its independence. My father was part of that struggle as a politician. My mother was a journalist. Our house was alive with this new freedom and the beautiful future; a feeling of hope and promise lay in the air. Gandhi and Nehru gave the impetus for an India based on pluralism, democracy and secularism. My family was Muslim, but we still celebrated all of

the Hindu festivals, as well as Christmas, and we even had a Santa Claus. He was played by my jovial uncle who later became a Muslim fundamentalist...

The hopes of your childhood didn't come to fruition.

Things started to go awry when I was a teenager. The economy collapsed because of Nehru's quasi-socialist orientation. His daughter, Indira Gandhi, then implemented even more dramatic measures and tried to shield its domestic industries behind high tariff barriers, nationalized banks and import taxes. And then you have the suspension of democracy for two years from 1975 to 1977, complete with the jailing of political opposition and censorship of the press. It was a very painful thing to watch. The expectations and optimism of the 1970s evaporated.

How did this period also shape your own worldview?

It shaped my views as a secularist and as somebody who deeply despises bigotry and chauvinism of any kind, because they made India go off the rails and I could see the cost of it. I lived through riots where thousands and thousands of people were killed in the streets. My father took us to them; he wanted us to see what was happening. I recognized the importance of Western values and what happens when they are not upheld. And I recognized how inefficient economic socialism is. Nothing worked. It just produced stagnation and corruption and a bureaucratic elite that would then milk the system for its own benefit.

In 1982 you came to the US to study.

What was your first impression?

I was alienated as a high school student in India. I felt as though people were just interested in becoming doctors and lawyers, and finding a job. I was fascinated by the intellectual element of high school, and I wanted to read things for pleasure and understand the world, but I couldn't find a lot of people who were like-minded. And then I went to Yale on a scholarship, and I felt like I had come home. My fellow students were

just like me. We would stay up until 4:00 in the morning talking about politics and economics and literature. It was a completely magical time for me. I immediately fell in love with America, or rather, with a very particular part of America.

As a commentator and book author you can't be pigeonholed politically. You are neither on the right nor on the left, and you are not clearly pro- or anti-immigration. Does that make life easier or more difficult?

Definitely more difficult. I am trying to understand the world and I find myself trying to grapple with an issue on its own terms. I've gotten into lots of trouble for saying that some of Donald Trump's deregulation was both necessary and has been economically positive for America, and that's why the US economy is outperforming other economies. It's considered a crime to say this in some circles, but it's my opinion. I still hope that a large part of the public is practical and is not trying to evaluate the world as if there were two sports teams and your team is always right and the other team is always wrong. Nobody has a monopoly on the truth. Naturally the moderate voices are quieter – but they exist in all societies. I think of myself as the voice of that forgotten center. ■

## “Question everything!”

*What are the greatest risks the world is facing?* According to Aengus Collins, lead author of the WEF's Global Risks Report, environmental issues dominate the risk landscape. And the human element is becoming increasingly important.

Interview Simon Brunner Illustration Max Löffler

Aengus Collins, the WEF Global Risks Report has been published since 2006. Has the world become safer since that time, or less safe? Generally speaking, we need to be cautious about romanticizing the past. In 2006, the world was on the cusp of the worst financial crisis in almost a century. It was a riskier time than many people recognized, and arguably many of the emerging risks we are grappling with now are still shaped in part by developments a decade ago.

In the period from 2008 to 2014, economic risks dominated the risk landscape, but they have since faded somewhat into the background. Is the economy more stable than it was five or ten years ago? I'm afraid that people have become a bit complacent about these risks and are focusing on other issues.





Such as?

If there is one message that our annual survey has conveyed over the last few years, it is that environmental risks are becoming more prominent. There are two ways to interpret this. On the one hand, it is a positive sign that these issues are now firmly embedded in people's minds, and that the gravity of the situation is recognized. On the other hand, it reflects just how serious the situation actually is. In terms of the risk events that are most likely to occur, extreme weather events have been ranked either first or second for six consecutive years now. That's a strong signal.

For the first time, the 2019 Global Risks Report asked respondents to rank the risk events that may occur in the near term. What were the results?

Here geopolitical issues are quite prominent. For example, 85 percent of respondents said that the risk of a political confrontation between major powers has increased. For the first time, we also looked at the human side of global risks: there is a lot of evidence of anger, anxiety and loneliness, and these patterns of emotional and psychological strain are likely to shape the global risk landscape in important ways in the years ahead.

The next wave of risk might come from the technological sector. Are there indications that this is the case?

Yes. Our survey sample tends to be quite optimistic about technology, so I have been struck over the last two years to see that issues related to data security and cyber attacks have risen in prominence. And in the above-mentioned near-term risk event rankings, another cluster of technological fragilities was prominent – things like fake news, echo chambers and concerns about privacy and identity theft.

Has increasing globalization made the world more resilient, or less resilient? Complexity can create blind spots and potential tipping points that greatly complicate the process of assessing and managing risks. And risks are becoming more and more interconnected, so we need to think about trade-offs – actions to mitigate one risk may exacerbate others. One example is electric cars – a promising way to reduce pollution in major cities, but a potential source of increasing pollution from the production of electricity and batteries.

Countless studies have demonstrated that we humans are not especially good at assessing risks. How should we address that problem?

This is always going to be one of the most difficult challenges. I think the key thing is to question everything. Welcome dissent and surround yourself with people who will challenge you at every step. ■

Aengus Collins (45) is Head of Global Risks and the Geopolitical Agenda at the World Economic Forum and lead author of the Global Risks Report, an annual survey of 1,000 risk experts and decision makers. [reports.weforum.org/global-risks-2019](https://reports.weforum.org/global-risks-2019)



# “We treat nature like a free lunch”

*How can we preserve our ecosystems?*

Indian environmental economist and WWF President Pavan Sukhdev has calculated the value of nature and is convinced that conservation and economic growth are not mutually exclusive. But environmental degradation must be part of national and corporate accounting.

Interview Bruno Bischoff, Head Sustainability Affairs at Credit Suisse Photo Anoush Abrar





Mr. Sukhdev, preserving nature is one of the greatest challenges of the 21st century. What are your biggest concerns in this respect?

The degradation of ecosystems and the loss of biodiversity – at the level of ecosystems, species and genes – is a huge set of risks that could affect us in terms of human health, our society and our economy. Because nature is the foundation of everything. And time is pressing.

Forest, wildlife, oceans – does it make sense to prioritize one of these ecosystems for protection?

If we look at importance and urgency, the coral reefs stand out as the most pressing priority. Coral reefs are among the world's most sensitive ecosystems, and they are already being severely damaged by today's level of climate change. We have already lost 20 percent of the reefs and it's looking quite precarious. This threatens not only nature but also the livelihoods of more than 500 million people.

As a thought-leader in the area of the green economy, you have described environmental degradation as a failure of our market-based approach to everything. Exactly. The main problem is that we treat nature like a free lunch. What nature delivers – whether it is clean air and water or pollination of plants – comes to us without us spending a cent on it. Have you ever received an invoice from a bee for pollinating your crops? We have a tendency to attach no value to things that are free. As a result, we exploit nature without paying for it and lose public or shared values. In economics and finance, we refer to such impacts as externalities. We must therefore try to include the value of nature's contributions – and the costs of their loss – into our economic calculations.

Can you really put a specific value on nature?

In 2008, in the TEEB [editor's note: *The Economics of Ecosystems and Biodiversity*] study for the UN, we developed an

#### Conservation finance

Credit Suisse is continuing to expand its activities in the area of conservation finance, a fast-growing environmental finance market focusing on the generation of long-term and diversified sources of revenue that can play a major role in ensuring biodiversity conservation and the health of natural ecosystems.

#### Reputational Risk Review Process

In Credit Suisse's banking businesses, environmental aspects are considered when managing transaction-related risks. Applying the Reputational Risk Review Process, the bank assesses whether projects or client activities could pose a major risk to the environment, the climate or biodiversity.

approach to calculating these values, and the results showed that, converted into money, the economic value of ongoing losses of nature amounted to two to four trillion US dollars per year. For example, by allowing the degradation of coral reefs, we are wiping out 170 billion US dollars in economic activity that depends on them – from the natural protection of the coast to tourism to fisheries. Governments and companies need to price in these externalities using green accounting. They need to calculate the true cost of doing business. Financial accounts have to present the complete ecological reality – then people would be aware of the scarcity of natural resources and it would become part of business decision-making.

That sounds good, but how can it be accomplished? Our global footprint is growing steadily and we are already consuming resources equivalent to 1.7 earths every year.

Policymakers need to establish regulations and incentives. They must eliminate subsidies that favor damaging industries – like the 1 trillion US dollars in subsidies given to fossil fuels each year. Public finance needs to focus on ecologically sound infrastructure and incentives need to be put in place for private investment in a green economy – that is, in sustainable agriculture, renewable energy and mobility, and renewable energy and resource efficiency.





Pavan Sukhdev (58) is an economist and former banker, has been President of WWF International since 2017. From 2008 to 2011, Sukhdev served as Special Advisor and Head of UNEP's Green Economy Initiative. Sukhdev was born in India and currently resides in Nyon, Switzerland. He has two adult daughters who inspire him to keep working for a healthy, habitable planet.

We also have to hold the private sector accountable. The private sector makes up two-thirds of the global economy in terms of jobs but also creates enormous negative impacts on the environment. The 3,000 biggest corporations are estimated to cause 2.15 trillion US dollars in negative externalities each year.

What policy measures do you have in mind?

Corporations should be taxed not on the basis of income but on the basis of resources they consume. Their environmental footprint needs to be transparent – not only in their financial reporting but also in their advertising and on product packaging. Companies need to stop aggressively advertising their products and lobbying to gain advantages. And central banks need to place caps on corporate leverage.

In your book, "Corporation 2020," you also call for a new corporate culture and cite companies that can serve as models. What makes these companies exemplary?

They all accept environmental and social responsibility. Patagonia wants to produce high-quality outdoor clothing without destroying natural capital. Companies like the software manufacturer Infosys provide excellent training opportunities – their goal is to build human capital. Others are organized as communities. For example, Natura Cosméticos in Brazil aims to operate sustainably, selling through a network of 1.2 million housewives – a model that benefits everyone. Companies like that generate profit and also benefit the environment and build social capital. That is the business model of the future.

Are we undergoing a paradigm shift? Is sustainability making real inroads into business?

A growing number of companies are setting great examples as leaders. But big companies with ambitious environmental goals – like Walmart, Puma, Unilever and

Infosys make up a small minority of companies. Even a generous calculation puts their combined annual revenue at 700 billion US dollars, at most. That is less than one percent of global GDP. The problem isn't that we don't have leaders. It's that we don't have enough followers. If we establish a level playing field by taxing the destruction of natural capital, "Corporation 2020" will automatically be more profitable and other companies will follow their lead.

You were named President of WWF International's Board in 2017. What role can environmental organizations like the WWF play?

Our most important task will be to engage, inspire and mobilize hundreds of millions of people to take action to push for conservation. Policymakers and corporations will only change their course if there is transparency about the true cost and consumers actively demand it. We also work with political organizations in developing crucial regulations and advise companies on sustainability. And since time is of the essence, I think it is especially important that we increasingly collaborate with other NGOs.

What, specifically, do you have in mind?

According to our 2018 Living Planet Report, biodiversity has declined by 60 percent on average over the last 50 years. Populations of certain insects and fresh water species have declined by over 80 percent. To stop this trend, we have been working with other organizations to develop consensus recommendations on biodiversity for the next Conference of the Parties in 2020.

Your work to protect biodiversity and the environment requires a lot of air travel. How do you reconcile that?

I offset the carbon emissions from my air travel primarily by planting trees in Australia, where I have established a small ecotourism project. I also have a plantation in Southern India that

has transitioned to sustainable production practices that enable the soil to capture more carbon.

You were a successful banker before going into the NGO sector. Why did you decide to make the shift?

Environmental economics has always been my passion. While other bankers would play golf, I would go to my books and read and write papers. When I was asked to lead the TEEB study, I was able to make my hobby my career. That has been a great privilege.

You spent part of your youth in Switzerland and went to school here. Has that influenced your interest in the environment?

Very much so. I used to sit at my window for hours, watching the birds in the plum tree in our garden through a pair of binoculars and taking notes on their behavior. I experienced the beauty of Switzerland on holidays. So I was able to enjoy nature to the fullest and I suppose that is one of the reasons why, at the back of my mind, I have always wondered why we are destroying what is so valuable. Why aren't we doing more to protect the environment?

Given the great challenges with respect to biodiversity and climate change, would you say the proverbial glass is half full or half empty?

If I may, I'll answer that with a quote from Winston Churchill, who once said:

"The pessimist sees difficulty in every opportunity. The optimist sees the opportunity in every difficulty." I think there is much to be done, and I think we have accomplished a bit as well. But we must keep at it. ■





## “A paradigm shift is underway”

*How can a further polarization of society be prevented?*

Michael Strobaek on worries about globalization, the decline of the middle class and a redistribution of wealth.

Interview Daniel Ammann  
Photo Cyrill Matter

Mr. Strobaek, in an interview with Bulletin a little over a year ago you said that “the most critical issue of the future will be that millions of people will be unemployed.” Have events since then tended to confirm or to alleviate your concerns?

If anything, they have confirmed my concerns. We are witnessing a paradigm shift. The trade war between the United States and China, the change in Italy’s government last year and Brexit – all of these things express a profound dissatisfaction and anxieties fueled by both globalization and rapid technological advances. Many people are concerned by the way the labor market is changing.

According to Credit Suisse experts, the use of robots over the long term will create at least as many jobs as it will eliminate. Is the job crisis only temporary? I tend to think so. The industrial revolution has led to more jobs and an increase in living standards in the long term. However, in their early stages, profound techno-

logical upheavals are associated with job losses and socio-cultural change, which places significant demands on states and companies.

You have said that we need to secure the livelihoods of the unemployed – that otherwise they would rise up as people did during the French Revolution.

Many people feel that they haven’t benefited from globalization or technological progress. While the situation of the poorest people has improved in many places, in relative terms the middle class, especially in the Western world, has lost out. We need to think about how we can achieve a more even distribution of wealth through equal opportunities and access to education in order to prevent a further polarization of society.

How should we provide support for those who are losing out in the process of globalization?

Now and in the future, one of the most important things is to secure the livelihoods of these people. I also believe that both the government and the private sector have a responsibility to provide opportunities for those who seem to have lost out as a result of globalization. It’s not easy to transition to new kinds of jobs, but it can be done if people are offered targeted training and professional development opportunities. In this context, it is important for companies to recognize that providing such opportunities is an investment in the future.

One issue you have focused on is the integration of women into the labor market. Switzerland is not doing very well by international comparison. What needs to happen?

Extensive changes are needed to support working parents so that they can pursue their careers and look after their children. As the father of three children, I experience the inadequacy of the support structures currently in place on a daily basis. Finding a good balance between work and family life in Switzerland is not an easy task. For there to be real change, we will all have to change our attitudes in this regard. ■

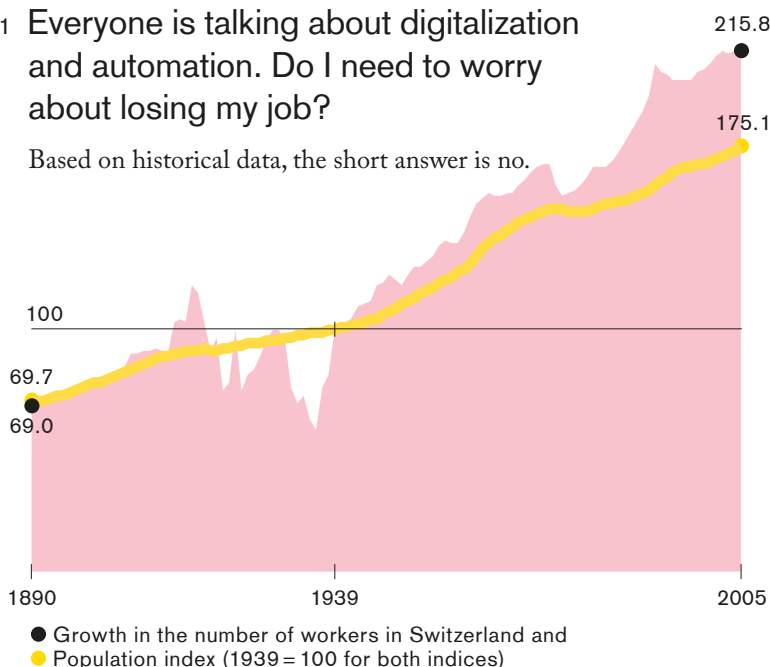
Michael Strobaek (49) has been Global Chief Investment Officer (CIO) at Credit Suisse since 2013.

*How is the working world changing?* An interview in eight charts compiled by Credit Suisse economists.

# “68 percent were able to leverage another degree into higher wages”

- 1 Everyone is talking about digitalization and automation. Do I need to worry about losing my job?

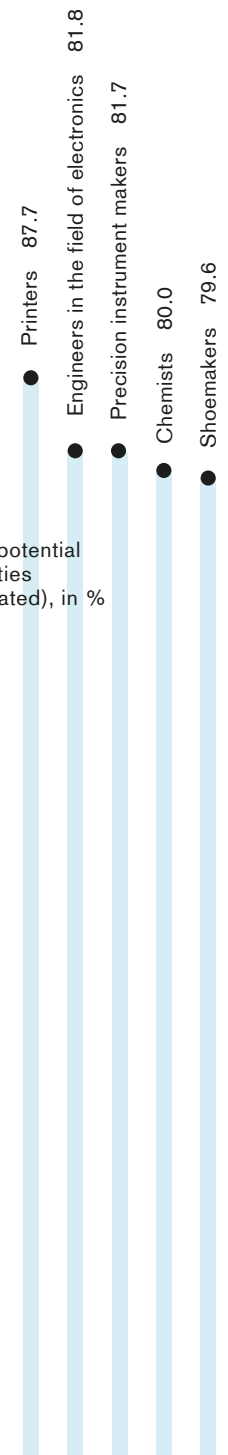
Based on historical data, the short answer is no.



- 2 But not all jobs are likely to survive, right? What job profiles are most likely – as of right now – to be replaced?

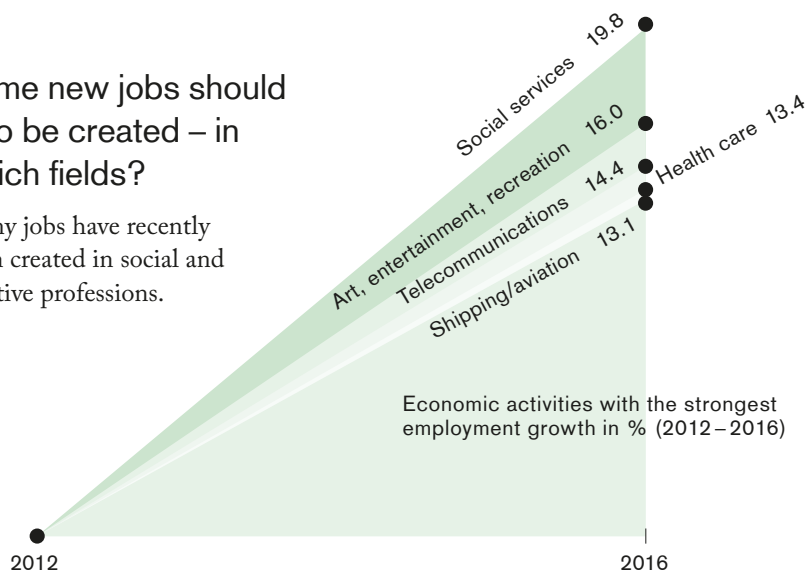
Activities containing a significant proportion of steps that can be automated are at the greatest risk.

Top 5: Substitution potential (proportion of activities that could be automated), in %



- 3 Some new jobs should also be created – in which fields?

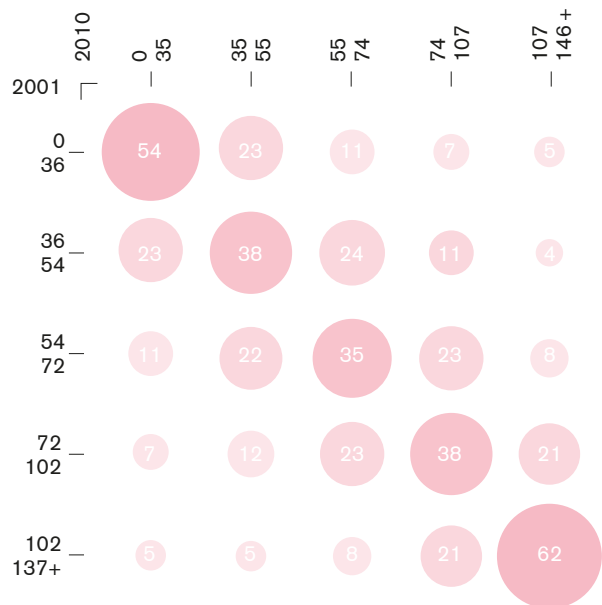
Many jobs have recently been created in social and creative professions.



4 Is there a greater chance of my wages rising or falling?

That is hard to say. Around as many people saw increases as decreases in their income from 2001 to 2010 across all income groups.

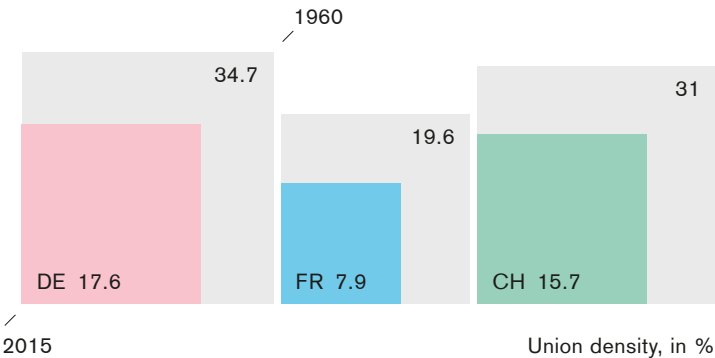
Income matrix in CHF 1,000



25 to 64-year-olds (2001), taxpayers in the canton of Zurich, in %

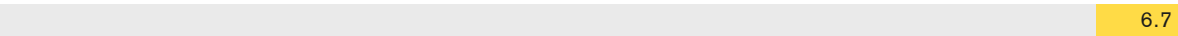
5 Are there actually more or fewer employees unionized than before?

That number is trending downward in most countries in the western world.



7 How extensive is the gig economy in Switzerland?

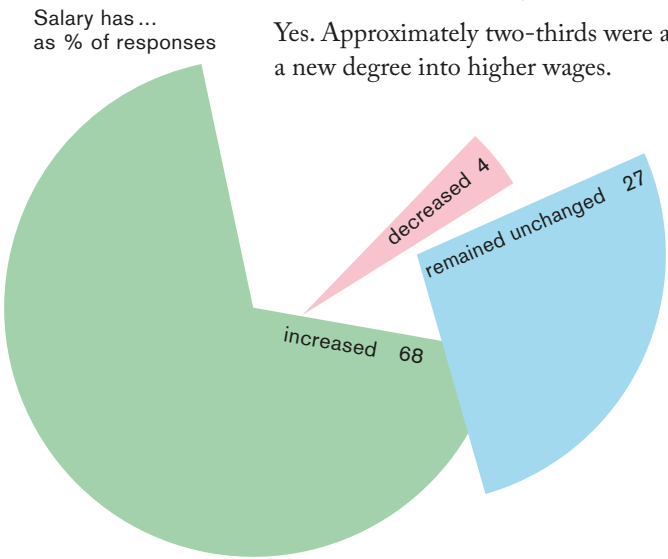
Solo self-employed CH in %



6.7 percent are referred to as “solo self-employed.” In other words, they are employed by their own business without employees.

6 People often say that continuing education is essential to be successful at work. Is there any evidence of that?

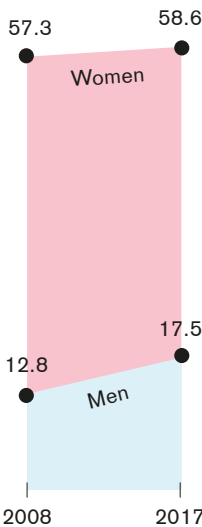
Yes. Approximately two-thirds were able to leverage a new degree into higher wages.



8 Is there such a thing as the modern man working a part-time job?

Yes, he is becoming more common every day. Although women are still usually the ones in part-time jobs.

Part-time employees, in %



Oliver Adler is Chief Economist Switzerland, Sara Carnazzi Weber is head of the Swiss Sector and Regional Analysis unit and Tiziana Hunziker is an economist at Credit Suisse.



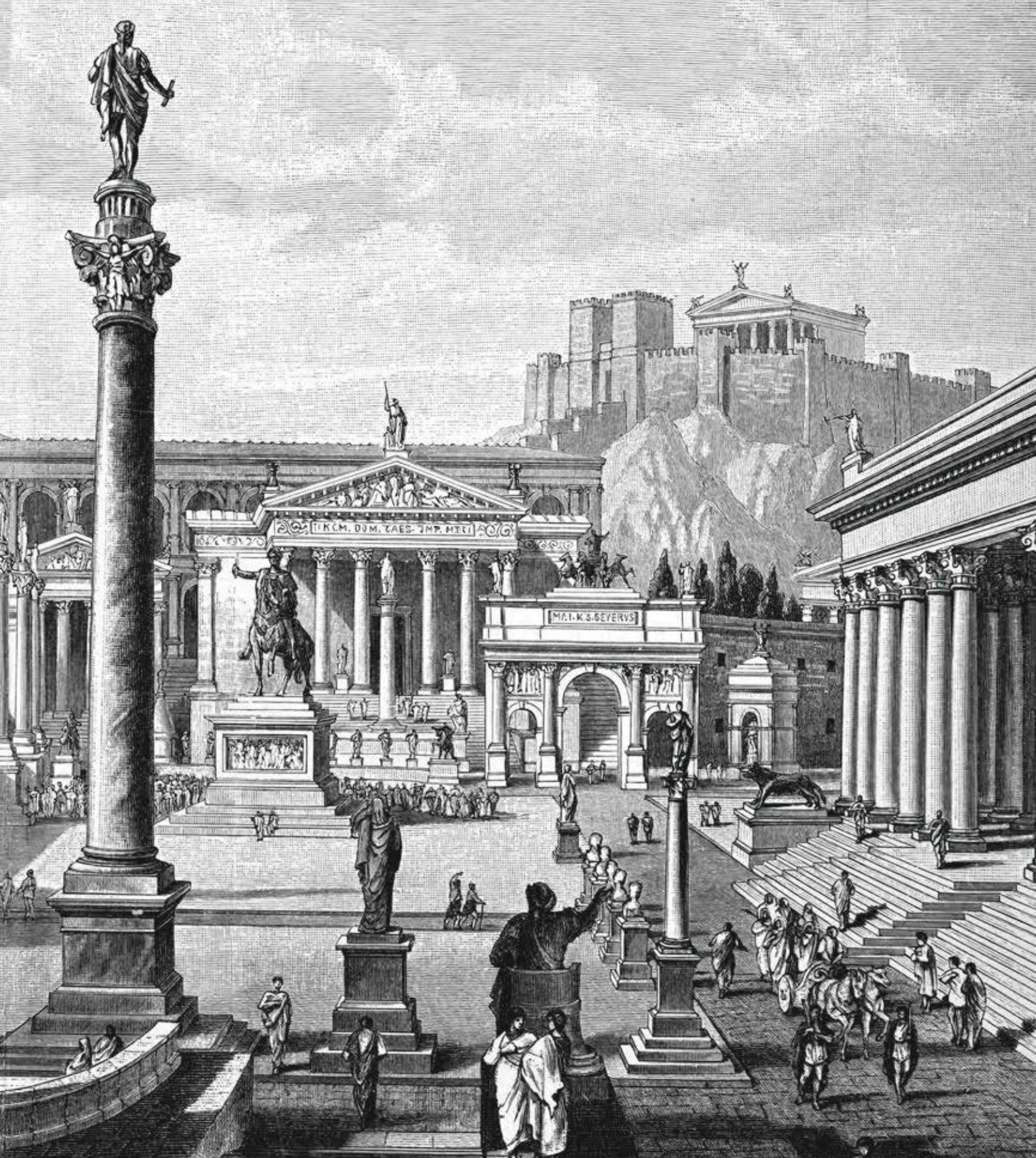


6

PETER FRANKOPAN

“All roads





used to lead to Rome ...



... now they lead to  
Beijing”



1



*Is globalization coming to an end?* British historian Peter Frankopan says no. We're not going to stop living in a hyperglobalized world anytime soon. And Asia will play a major role in our future, just as it did in the distant past.

Interview Daniel Ammann



2

1 "China's GDP in 2001 totaled just over one trillion US dollars. Today it is more than 12 trillion." Pictured: Beijing business district.

2 "China now buys one-third of all luxury goods." Pictured: Showroom for the Miu Miu fashion label in an oversized handbag, Shanghai.

Professor Frankopan, which era would you most like to live in?

In the here and now. When it comes to health care, educational opportunities, individual and political freedom, life expectancy or just getting a nice meal, for most people the present is the best time in human history.

Yet it seems as if a fear of the future is spreading throughout Western societies. What's going on in the West?

It's the fear of the unexpected. We're currently experiencing a massive shift in the global center of gravity, and it's having a profound impact on our everyday lives. Many people in Europe believe – probably rightly so – that their children and grandchildren will have harder lives than themselves. They're

worried about being economically outpaced, because other countries and regions are growing more rapidly.

You're talking about Asia's rapid economic ascent.

To put it in a nutshell: All roads used to lead to Rome. Now they lead to Beijing. China joined the World Trade Organization in 2001. At that time the country generated a gross domestic product of just over one trillion US dollars. Today it's more than 12 trillion. According to the World Bank, more than 800 million people have been able to escape poverty since China initiated its policy of economic openness. The speed of this transformation is breathtaking.

Will the twenty-first century be the "Asian century"?

It already is. Just to give you a figure from my new book: In 1990, Chinese consumers were not buying any global luxury goods, and their share in this segment of global trade was zero percent. Today already a third of all luxury goods are purchased by Chinese consumers, and in ten years it

will be half. The people who have benefited the most from globalization in the last thirty or forty years are the global poor in developing regions like India, Southeast Asia and China. An unbelievable number of people are now better off. In these regions the attitude toward globalization is much more positive than it is in the West. Asian parents believe that their children will be richer and more prosperous and have better opportunities than they themselves.

Here in the West, on the other hand, we're seeing a sharp rise in protectionist tendencies and critique of globalization. Even though globalization – generally speaking – has significantly increased global prosperity, in the West it has also resulted in a loss of jobs and pressure on wages, thus producing losers. These losers of globalization are now demanding louder and louder that their voices be heard. This is also what contributed to the rise of Donald Trump, the Brexiteers, and extremist parties in Europe. One has to see these phenomena as attempts to





# History shows that societies which are integrating and outward looking do better.

correct the fact: We in the West are obviously interested in exporting to Asia, but we're not prepared to import from Asia if we're afraid that this will compromise our prosperity and jobs.

Does this mean the end of globalization? We sometimes tend to inflate the significance of current problems. But commercial disagreements and attempts to negotiate better commercial terms are completely normal throughout history. This certainly does not mean returning to a world in which people grow their own vegetables and isolate themselves from outside influences. We're living in a hyperglobalized world, and that's not going to end very soon. We have quite a resilient and robust global system in which we actually get along with one another very well.

In your books you show that neither globalization nor Asia's dominant position in the world is anything new. Globalization has been around for millennia. 2,000 years ago there were the Silk Roads, a network of trade routes connecting Asia with Europe and Africa. It extended over land and sea from the Roman Empire to China's Pacific coast. But something we are only seldom taught in school is that the cradle of our civilization is not in ancient Greece, but between the Mediterranean and the Pacific. Does the name Merv mean anything to you?

You'll have to help me there. For centuries, Merv, a city in modern-day Turkmenistan, was the largest city in the world. It was known as the "mother of the world" due to its economic significance. In 1200 AD the city had more than a million inhabitants, five religions were practiced freely, and there were twelve

public libraries – one of which was only for women. At that time London had only 20,000 inhabitants, and only very few Europeans could read. Central Asian cities such as Merv played a key role in the formation of our modern world. When Europeans began travelling in large numbers towards the East from the 1700s onwards, they were amazed at how well foreign visitors were treated, how openly they were greeted in cities such as Merv, in Isfahan in what is now Iran, in Bagdad, or in Samarkand in modern-day Uzbekistan. It was very different from Europe at that time, where Jews were forced to live in terrible conditions in ghettos or the Protestants were kicked out of one country and Catholics out of the next.

Over the course of history, phases of globalization have alternated with phases of isolation. From a historical point of view, which of these periods have been more beneficial to the wider population? Generally speaking it is the elites, those at the top of the pyramid, who profit the most from trade. The simple peasant in medieval Europe saw no benefit at all from increased trade relations between Venice, the Middle East and China. The reverse is also true in that increasing rivalry between Italian city-states, the embargo with Alexandria in Egypt, or the Mongol invasion of eastern Europe solely affected people in the palaces and traders. Everyday life for wide swathes of the population didn't change at all. This didn't change until the twentieth century.

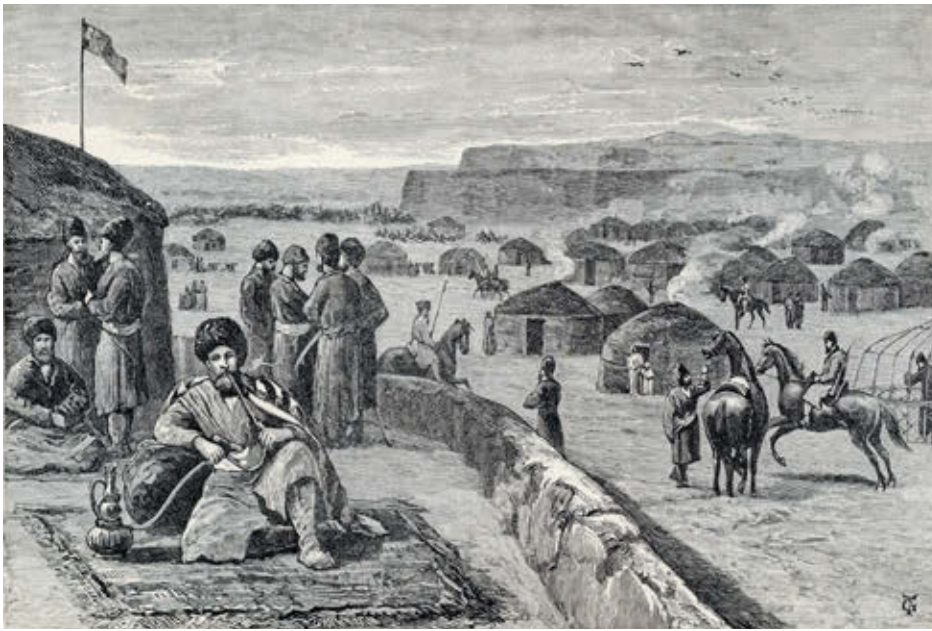
Does history teach us that globalized societies were more successful? Generally speaking, history shows that societies which are integrating and outward looking and willing to work in bigger alliances do better. This is how it was in thriving great cities of the past.

That is to say, the places where most of the business was conducted were generally the places that accepted a variety of minorities and ethnicities.

Why is this, do you think?

People who engage in trade tend to lose their prejudices. If you want to buy or sell something, your trading partner might have a different skin color, speak a different language, belong to a different religion, or like another type of music. But if you wish to make a successful business transaction you can't let such things bother you. Instead you have to find a "modus vivendi" – and usually it's more than that, because as soon as we get to know someone from another culture, we tend to become less afraid.





1

1 “For centuries, Merv, a city in modern-day Turkmenistan, was the largest city in the world.” Pictured: Engraving of the fortress of Merv (1882).

2 and 3 “The losers of globalization are now demanding louder and louder that their voices be heard.” Pictured: 2 Election party for Donald Trump in New York. 3 Essex County, a stronghold of “Leave EU” supporters. (both photos from 2016).

2



3



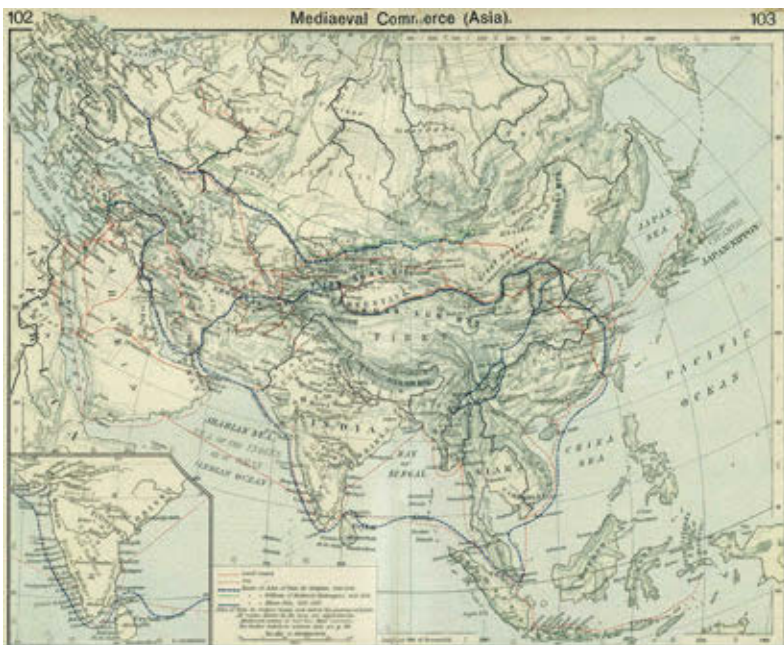


1

1 "I take a very traditional view: access to raw materials will play a huge role in the future." Pictured: Steel mill near a mine in Inner Mongolia.

2 "2,000 years ago there were the Silk Roads, a network of trade routes connecting Asia with Europe and Africa." Pictured: medieval trade routes in Asia.

3 "The list of countries that could overtake Switzerland is relatively short." Pictured: the Monte Rosa Hut and the Matterhorn.



2

3





What one factor do you think successful societies have in common?

The most successful societies are meritocracies; that is to say, the greatest talents can rise to the top regardless of ethnic background, status, family affiliations or religion. This type of social mobility is extremely important because talent and ability are found in every social class. This means that the education system cannot be reserved for the elites but must be made available to all classes and thus encourage economic and social advancement. The state has an important role to play in leveling the playing field, the prerequisite for social mobility.

In your work you have shown how access to natural resources, in particular energy resources, was essential for a society's survival.

I take a very traditional view: access to raw materials will play a huge role in the future. Ultimately a country is always faced with the same questions: Who controls the resources it needs? Who controls the networks? Today everything points to Asia. The most important energy reserves – oil and gas – are in Saudi Arabia, Iran and Russia; the rare earth metals needed for many key technologies are primarily found in Inner Mongolia and the central Asian republics. That's a fact, whether we like it or not.

And that means?

That means that when the government of a resource-rich country does something you don't like, there can be significant consequences if you criticize or resist it. That's the way it is when people you perhaps do not like have the things you want or control the assets you need.

What's your opinion on the future of Europe?

We are quite resilient in Europe. We've had this hugely traumatic twentieth century with two world wars. We not only experienced the tyranny of fascism, but also the tyranny of communism. We are very innovative, we have a pretty good legal system, very high levels of transparency, and low levels of corruption within governments. Europe will remain attractive for its citizens and a model for people from other parts of the world for some time to come.

But?

In Europe, we must be careful how we look at the world around us. We believe that other cultures are violent and dangerous: the Syrians, Iraqis, Libyans or West Africans. We have forgotten the lessons of our most recent past. It didn't take much to push us over the edge into horrible wars. A hundred years ago, one man in Sarajevo being shot in the streets started a worldwide war. If we look back at our history, much of it is about warfare. Switzerland offers a hopeful exception. It has shown that it is possible to refuse to get involved in other people's affairs.

In this regard a small country has it easier than a global power.

Exactly. My friend, the philosopher Nassim Nicholas Taleb, also wrote about this: The bigger the state, the more fragile it is. Small nations are more resilient. That's why the city-states in ancient Greece, central Asia and Italy were so successful. Small countries with no resources of their own cannot afford to be isolationist or remain inactive. They have to plan, remain flexible and

cooperate with all possible partners. In the unusual times we are now living in, in this changing world, this sort of flexibility and a will to cooperate are great advantages.

Every twenty-five years, the Economist magazine assesses which country offers newborns the best opportunities for a healthy, safe and successful life. In 1988, it was the United States and in 2013, Switzerland. What country do you think they might name for 2038? It certainly won't be the United States. It is one of the few countries in which life expectancy is currently falling. Social mobility for the bottom 20 percent of the population is currently higher in Kazakhstan than in the US or Great Britain. The list of countries that could overtake Switzerland is relatively short. A lot of the countries are in difficult climate zones or have very large populations. Singapore might be a candidate or perhaps resource-rich Norway. At any rate, I believe it will be a small country that is able to negotiate a complex world and can build up its assets quickly so it can pragmatically invest. I believe we are entering an era where the motto is "small is beautiful." ■

Peter Frankopan (47) is Professor of Global History at Oxford University and is Director of the Oxford Centre for Byzantine Research. His 2015 book *"The Silk Roads: A New History of the World"* was an international bestseller. His newest book, *"The New Silk Roads – The Present and Future of the World,"* was recently published.



# “Clashing viewpoints are exhausting”

*What's next for the media?* Miriam Meckel, the founding editor of *ada*, discusses the value of journalism, success factors for media companies and her own filter bubble.

Interview Steven F. Althaus Photo Mark Niedermann

Ms. Meckel, do you have a morning ritual for reading the news?

A rather intense one, actually. It takes about 90 minutes; I don't mind getting up a little earlier to read. And if I'm traveling, I use the time on the plane or train.

What do you read?

The Handelsblatt, Bild, Financial Times, the Neue Zürcher Zeitung and the Süddeutsche Zeitung every day, and sometimes the Frankfurter Allgemeine Zeitung as well. I read the Economist and New Yorker closely over the course of the week, and I also look at Der Spiegel.

The Atlantic and Harper's are essential reading each month. So you could say I'm a news junkie (*laughs*).

How do you read, on paper or online?

Almost exclusively on my tablet – I'm simply too lazy to recycle stacks of newspapers and magazines. And I'm on the road a lot.

You began your career as a television journalist in the 1990s. How has the media industry changed since then?





You can divide the time into two phases. The first phase might be called “committing suicide for fear of dying,” as publishers threw all their content online so they wouldn’t “miss out,” without even thinking about how they could earn money. Customers quickly got used to not paying, of course. In the second phase, publishers realized their mistakes and began to retrain their readers. Since then, the message has been: “We sell content, not paper.”

Is this retraining working?

We’re talking about a paradigm shift; this doesn’t happen overnight. But there are positive signs. A few English-language titles are doing very well, and our own digital sales are rising, although not yet enough to compensate for losses in the traditional market. Overall, the pace of transformation leaves a lot to be desired.

Why?

At first, we simply didn’t recognize the writing on the wall. Or we wanted to be blind. Narcissism is a weakness of journalists. For decades, journalists didn’t have to worry about the sensitivities of their readers, but now, in the digital age, they suddenly receive feedback all the time. If a story doesn’t catch on, we see this precisely, thanks to data analytics. This took some time to process. In the meantime, we’ve come a long way.

Here’s a question that relates to us specifically: Bulletin is the world’s oldest banking magazine. We want our journalistic content to contribute credibly to the public debate of economic and sociopolitical issues. We’re currently considering the idea of adding a “price tag” to signal high-quality content to readers.

It’s extremely important to make consumers aware of the value of media products; journalism will die if it’s financially unsustainable. The price shows consumers that they’re holding something valuable. However, adding a price tag to a company-published magazine like Bulletin may spark a debate. You could consider asking readers, “How much is Bulletin worth to you?” Instead of paying the specified price to the company, readers could donate this amount to a good cause.

If we look to the future, what factors will contribute to publishers’ success? The pace of innovation in media companies is still too slow. We should move away from working for ourselves and start taking readers seriously as customers. We need a culture of bold experimentation, of trial and error. It pains me when foreign companies successfully launch products here that we had discussed, but weren’t bold enough to test in the market.

One of the buzzwords of the past few years is “filter bubble,” which describes the danger of isolating ourselves from information that doesn’t fit within our existing world view. But is this really a new phenomenon?

No. This happened long before the digital age. We all seek out others who mesh well with us – people we like to spend time with, people who affirm us. Dissonance is stressful; clashing viewpoints are exhausting. The new digital media have amplified and accelerated this very human tendency. Social networks often give us what we like to hear.

How do you make sure that you are confronted with opinions different from your own?

I always try to be aware that I’m not picking up on certain things, and to engage with people outside of my social circles. Even though we’ve just discussed how social media can narrow your view, Twitter does



Miriam Meckel and her team launched the new journalistic project ada under the umbrella of WirtschaftsWoche. The goal of ada is to prepare people and companies for the life and work of tomorrow with live formats, podcasts, newsletters, videos, and a digital and print magazine.

A call to debate is often interpreted, and then attacked, as an ideological position.

help me. I get a very broad range of responses on the platform. Some people like what I'm doing; others completely hate it and send me death threats. Either way, I can see that my position is just one of many, and I have to keep defending it.

Are there still real debates in the media? Publishing opinions that are outside of the mainstream is unbelievably hard, particularly in the German media. A call to debate is often interpreted, and then attacked, as an ideological position. Then the discussion is over before it's even begun. But debates are calisthenics for the mind. We need them urgently, to keep up with changing times.

Today there is a lot of talk about quality journalism. What does this mean to you? Quality journalism gauges the relevance of topics and the needs of readers. It has sufficient funds for independent investigative reporting (including double fact-checking), and its content is independent of third-party interests.

A phenomenon of the times is that journalists are becoming their own brands. Sometimes they are almost better known than the media they work for. Is this a problem?

It reminds me of Hollywood's early years and the development of the star system. For the film industry, at least, this wasn't detrimental. I don't think it's a fundamental problem for the media, either. People are interested in people. Readers can build a more personal relationship to a medium when they know the journalists. In the Economist, almost no articles have bylines. In this case, team spirit and equal status naturally assume a

very different priority. But the newspaper is 175 years old. If it were founded today, its approach would probably be different. For decades, journalists' names were abbreviated in the Neue Zürcher Zeitung – but today their full names are almost always printed.

According to the Credit Suisse Youth Barometer,\* 38 percent of 16- to 25-year-olds in Switzerland very rarely, or never, seek out information about current events. This group is larger than ever. Does this worry you?

Yes. In the medium and long term, we need to consider how a society will change if there are no longer common themes.

How does a sense of community develop if everyone lives in their own little information universe? And on what basis do voters then make their decisions? In the midst of the digital information universe, perhaps we need to revive the historic village square – a place to exchange ideas and get a sense of how our neighbors view a topic.

In 2018, the Handelsblatt media group launched a new platform, which includes a print title: ada. What led to this decision?

Ada Lovelace was the first programmer, and she was quite an extraordinary woman: courageous, innovative, resilient, willing to take risks – values that we share. In the German-speaking world, we tend to have a somewhat negative attitude toward technology, even though we benefit from it. We want to encourage a

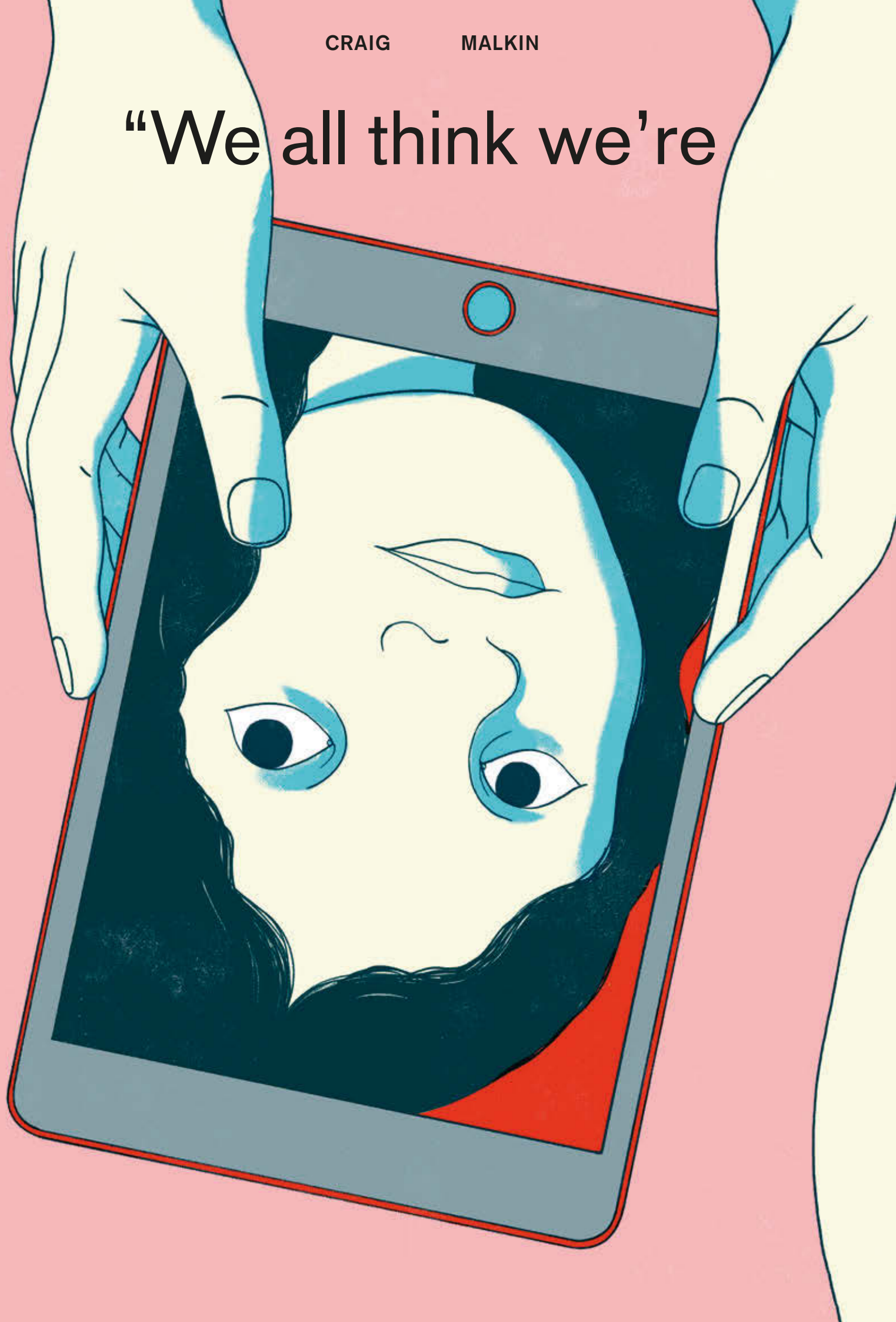
movement that recognizes the opportunities of technological change – and that also recognizes where the real dangers lie.

How did the launch of ada go?

The initial response has been very positive, although my father says it's not quite his thing. He's 90 years old, so that's okay. We view the magazine, newsletters and podcasts under the ada brand as journalistic media on a digital educational platform that we're launching together with WirtschaftsWoche. We want to try something new content-wise and in terms of our business model. If this succeeds, it will be terrific. But if something doesn't work, we'll be honest enough to make radical changes. We are working like a start-up, right in the midst of a traditional publishing house. ■

\* credit-suisse.com/  
youthbarometer

“We all think we’re





something special"





*Have social media ushered in an era of narcissism?* With selfie addicts, Instagram stars and other self-absorbed egomaniacs – more and more, we seem to be living in a world of narcissists. Harvard psychologist Craig Malkin talks about a phenomenon and a pathology.

Interview Beatrice Schlag Illustration Cristina Daura

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Craig Malkin, an extensive study has found that narcissism is reaching epidemic proportion, particularly among millennials. Does this correspond to your research and clinical experience? No, it's a gross exaggeration. The study you mention is based on a "narcissism test" that scientists regard as lacking in nuance and excessively negative. The facts show that it is simply wrong to conclude from that test that there is an "epidemic of narcissism" among millennials.

Nevertheless, that is the image of the millennial generation that has become fixed in people's minds.

The advent of social media has played a major role in this context – and obviously digital natives are especially active on these platforms, as the term suggests.

A scary new world has suddenly emerged, in which the only goal seems to be to attract as much attention as possible. And of course people are shocked by exhibitionistic photos of scantily clothed teenagers. Those photos have come to be seen as symbolic of social media in general. But other generations have been described as narcissistic, too – take the baby boomers, for example, sometimes called the "Me" generation.

Narcissism is among the most searched words on Google, but the concept remains somewhat vague. People think of it in very different ways. What's your definition?

I define healthy narcissism as the normal desire every human has to feel special. This definition is based on more than 50 years of research showing that normal, happy people do not perceive themselves as average. They see themselves as exceptional or unique. These rose-colored glasses, this feeling of being special, make people happier, more tenacious in times of difficulty, more courageous and more generous in their relationships. For me, healthy narcissism means moderately overestimating ourselves. It's not the same



as a realistic level of self-esteem, but a somewhat exaggerated positive view of ourselves, which provides certain advantages in our lives.

At what point does narcissism become unhealthy?

When the normal desire to feel special in a world of seven billion people turns into an obsession. When people have no compunctions about lying, cheating and stealing in order to feel special, no matter what the consequences for others. Unhealthy narcissism is characterized by what I call Triple E: exploitation, entitlement, empathy impairment.

We tend to associate unhealthy narcissism with loud self-promoters. Is that accurate? The spectrum is much broader than that. It is also possible to be an unhealthy narcissist when you see yourself as ugly or inferior, for example. There are quiet, introverted narcissists who resent others for failing to listen to them all the time. And then there are the do-gooder narcissists who are convinced that they are doing more for the world than anyone else.

How common is pathological narcissism? It is estimated to affect about one percent of the population, and twice as many men as women. Men have higher levels of testosterone, and are therefore more aggressive. They make demands and take advantage of situations more aggressively, not least because such behavior is still more socially acceptable for men than for women.

Is narcissism a genetic or an acquired trait? It's both. There is a genetic tendency toward unhealthy narcissism. Sometimes this can be observed even in young children; they may be unusually aggressive or melodramatic, for instance. But if children are reared by caring parents and feel secure and loved, in most cases they will develop a healthy level of narcissism. On the other hand, children who grow up lacking a sense of safety and emotional

## A moderate level of narcissism provides advantages in our lives.

security may still be unhealthy narcissists even in adulthood.

You have said that healthy narcissism is the best predictor of a healthy romantic relationship.

Yes, research with nearly 40,000 couples has shown that to be true. The people who had by far the best relationships were those who adored their partners and viewed them more favorably than outsiders did. Overestimating their partners allowed them to perceive themselves as special, too, since they had been chosen by those partners. Based on my experience, I suspect that, over time, relationships function better when each partner puts the other on a pedestal, so to speak; otherwise the relationship is out of balance. But we need more evidence.

Are some people entirely lacking in narcissism, even the healthy type?

Yes. These people tend to be more anxious and depressed; they often avoid relationships for fear that someone might regard them as narcissists. I call them echoists, in reference to the Greek myth of Narcissus and the nymph Echo. Echo loved Narcissus but had no voice of her own; she could only repeat the words of others. Echoists take up as little space as possible. They are afraid of burdening others with their needs, and they have a disastrous tendency to surround themselves with extreme narcissists.

What is the best approach when dealing with highly narcissistic bosses and colleagues who like to humiliate others? Safety first. You should document all of your work, since in many cases people who disparage others will try to take credit for their accomplishments, too. However, there is basically little that an individual can do about an abusive or offensive boss or colleague. That's a job for the company. If it is unable or unwilling to take action, you may need to quit or wait until you happen to receive praise, and then thank your boss or colleague for motivating you.

So the victim of disparaging treatment should say thank you?

Unless you're dealing with a hopeless case of narcissism, thanking your boss for acknowledging your performance will often lead to a surprisingly rapid improvement in the relationship. But it's hard work. You have to decide whether the job is worth it.

Do people with narcissistic personality disorders realize that they have an illness and are in urgent need of help? Absolutely. I had a patient who said, "I'm a monster, and I need help." It's a myth that these people are unaware of their issues. If they really want help, it's possible to help them. It's difficult, but that's true not only of narcissism, but of all personality disorders.

Is it true that a remarkable number of psychologists and psychiatrists are narcissists?

No, that's a cliché. Narcissists are found in every profession and at every level of society, and the percentages are roughly equal. We may just be somewhat more aware of the problem. But we lag far behind certain high-profile occupations. The highest percentages of narcissists are found among politicians, particularly heads of state, and people in show business, especially reality TV stars.

**Craig Malkin (50)** has been a clinical psychologist for over 20 years. He teaches at Harvard Medical School and has published articles in numerous magazines. His book "Rethinking Narcissism" discusses the various forms of narcissism – insufficient, healthy and excessive. Malkin lives with his family in Boston.



You have said that the level of narcissism doesn't remain constant, but changes with the situation and the person's age.

We know from many studies that narcissism is most pronounced among teenagers. That makes sense, since adolescence is the time when individuals are developing their sense of self, and they have a hard time when they feel misunderstood. Evidence suggests that narcissism often spontaneously declines by half after puberty.

Will social media make it more difficult to "grow out of" youthful narcissism? It depends on how cyberspace is used. Anything that takes us away from genuine relationships risks increasing our tendency to be narcissistic. That's true of both the digital and the real world. We have the ability to make our photographs more attractive, and we can spend hours clicking through the enhanced photos posted by other people. As a result, we become either obsessed with our appearance or depressed because there's always someone else who is better-looking and seems to lead a more glamorous life. But it's possible to do a lot more on social media than just pose for pictures.

For example?

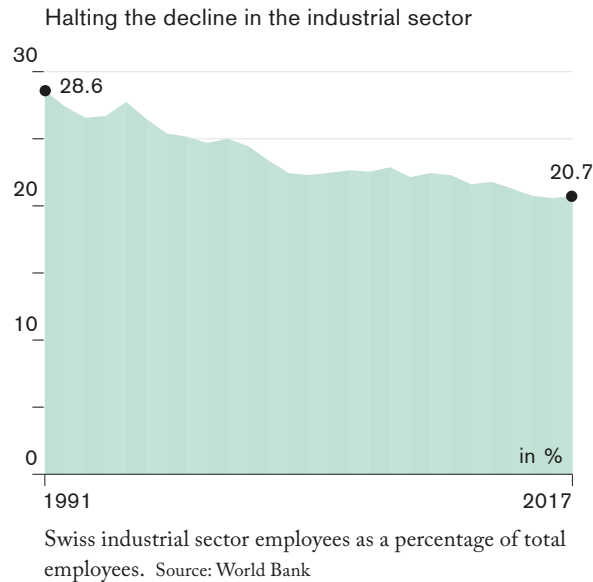
Studies show that the people who benefit most from social media are those who are able to express themselves more openly on the internet than in real life. They can expand their relationships and become more self-confident. But if you want to benefit from social media, you need to be honest. Certainly people do not benefit when they just sit there and look at pictures and posts. ■

## "I believe in Switzerland as a production location"

*Is a new industrial era dawning in the West?* "Yes," says Arnold Furtwaengler, CEO of Wander AG. Automation represents a unique opportunity for Switzerland.

Interview Simon Brunner





Arnold Furtwaengler, your large manufacturing plant in Neueneegg in the canton of Bern was commissioned for the production of Ovomaltine Crunchy Cream spread in 2016. This product had previously been produced in Belgium. What makes Switzerland attractive as an industrial production location? The country is very secure, and the political situation is extremely stable. We have skilled workers, who are well educated and highly motivated, our universities are among the best in the world, and the dual education system works. The decision also took into account the fact that we had already built up expertise in Neueneegg, and we already run an Ovomaltine factory that produces one-third of the ingredients for the spread, eliminating a significant amount of transport costs. I firmly believe in Switzerland as a production location.

Wander AG's parent company, Associated British Foods (ABF), was skeptical of a new Swiss production plant. They were leaning toward Poland, where labor costs are lower. How did you convince the owners to choose Switzerland? It took me two years. ABF challenged us to demonstrate profitability – a challenge that we were glad to accept. Many costs are comparable at the global level, since companies source things like pack-

ing materials and certain commodities globally. For us, that includes the cocoa. With the shortest transport routes possible, strict cost management and a highly automated plant, the higher wages in Switzerland made less of an impact.

It only requires three employees per shift to operate the equipment. Did the new plant create any new jobs at all? We created six new jobs directly. But the new technology allows us to tap into a market with enormous potential. Since its introduction, Ovomaltine Crunchy Cream has grown at double-digit rates every year. As a result, we are more widely diversified here in Neueneegg than before – something that benefits all 250 employees.

According to the World Bank, the industrial sector in Switzerland has gained prominence after decades of trending downward. Do you think that more Swiss businesses will follow your lead? It's possible. The higher the degree of automation, the less impact wage costs have and the more important expertise becomes. These state-of-the-art, fully robotic facilities are highly complex and require specialists to operate and maintain them. These factors make Switzerland – with its high levels of

education and training – a desirable production location. At the local level, investment in the Swiss food industry is currently strong, which makes me glad because it strengthens Switzerland as a business location, something that benefits all of us.

Your best-known product is still the Ovomaltine powdered drink mix, which is available in over 100 countries. Is the recipe the same everywhere as it is in Switzerland?

No, not at all. Unlike other brands, Ovomaltine has always been adapted to the needs of the local market. This starts with our name. Here and in neighboring countries, the product is called Ovomaltine; in the UK, it's known as Ovaltine. We think of "Ovo" as an energy drink in Switzerland. As the slogan goes: You won't do it better with Ovomaltine – just for longer. In the UK on the other hand, Ovaltine is a popular hot drink at bedtime. The taste is regionally different as well. In Switzerland, the powder is closest to the original recipe from 1904, without white refined sugar, while our neighbors drink a sweeter version. Incidentally, the biggest Ovomaltine drinkers are... in Thailand. ■

Arnold Furtwaengler (55) is Managing Director of Wander AG, a position he has held since 2011. The subsidiary of Associated British Foods (ABF) produces Ovomaltine for the entire European market in Neueneegg, near Bern.

# “Almost nothing

Ms. Cohn, you are the executive director of the Electronic Frontier Foundation (EFF). You describe your organization as the “911 of the internet.” What do you mean by that?

If something goes wrong online, especially when it affects a person’s rights or liberties, people think to contact EFF. For some folks online, it’s similar to calling 911 in an emergency. Our job is to protect civil liberties on the internet.

What are the most common reasons why people contact you?

It’s often about fighting surveillance and protecting freedom of speech online. Sometimes it involves illegally recorded data or copyright violations, or people who feel threatened and need to conceal



## we do online stays private”

*How can we protect ourselves on the internet?* Thanks to Cindy Cohn’s organization, we are now able to transmit messages in encrypted form. The civil liberties attorney recommends people ask their children for advice when it comes to new media.

Interview Simon Brunner Photos Brian Flaherty



their identity or location. This latter category includes journalists and human rights activists, but also victims of domestic violence. We also help many folks who have been threatened by patent trolls. And often we hear from computer security experts who work to determine whether or not the digital tools we use every day are secure. In the past they have been vulnerable to prosecution or reprisals from the companies whose products are being examined or from the government, so they, too, often reach out for advice and protection.

You have said that your goal is “to make the internet the best it can be.” What does that mean to you?  
The internet should be a place where users have control of their data and are not

## It is my life's work to make the internet as good as it can be.

for free speech and the regulations used for things like bombs, grenades and flamethrowers were not properly set up to regulate matters of free speech. This decision helped to make it possible to use these technologies for civilian purposes, including protecting email, chats and web traffic.

Has the internet made progress toward fulfilling its promise or has it slid backwards from that goal?



unknowingly serving the interests of a third party. Because the business model of many platforms is based on advertising, their primary allegiance is often to advertisers and that leads them to monitor or track their users in ways that are creepy, even if not illegal. It's also crucial to make sure that our security is not compromised – which can happen when we don't have access to strong encryption or when backdoors are built into the hardware and software tools we rely upon. One of EFF's founding principles is that “architecture is policy,” which means that the way that you design a system – hardware and software – will be a central factor in determining users' rights in that system. So it's important to pay attention from the start of building a tool or system.

It is thanks largely to your efforts that messages we send today are mostly transmitted in encrypted form, so only the sender and the recipient are able to read them. How did you accomplish this? You're referring to my first big case, *Bernstein v. United States*. Daniel Bernstein was a student who wanted to publish a paper on an encryption system he had developed, including the source code. At the time, however, encryption technology was covered by the United States Munitions List, which applies to products, technologies and services that are crucial for national defense and subject to extremely restrictive export rules. A court ruling in 1996 held that because software is basically a set of instructions, it is protected by the First Amendment protection

That's a tough question. In our view, both the current tendency toward the recentralization of the internet, which is allowing some large companies to gain considerable power, and the surveillance/advertising-based business models of these platforms are steps in the wrong direction. But there are countless positive examples, such as Wikipedia and the Internet Archive, which is committed to the long-term preservation of digital data and has already archived millions of books, films and audio files – all of which are freely available. Over the years, many of the technologies we use every day have improved and become more secure – web browsing, for example, due to the application of strong encryption. But it's also obvious that the internet is

being tapped by many governments, and that nearly every company collects as much information as it possibly can. People say that the work of creating a democracy and a society's freedom never ends. That's also true on the internet.

Would you defend someone whose extremist propaganda has been blocked online?

Possibly. Remember people define "extremist propaganda" in many ways – lots of human rights activists get characterized this way. EFF is an impact litigation organization – we carefully pick our cases to try to make the law better for everyone. So we closely evaluate a particular case to see if it will create a principle or a law that will help lots of people, not just one or two. We are a relatively tiny organization compared to the amount of content that is blocked online every day, and we receive an enormous number of requests. We also lean toward protecting voices that are marginalized and who don't have the resources for counsel, rather than just protecting the loudest or most obnoxious voices.

Do you think that the major social media platforms are responsible for the content posted by their users? Should they edit or redact that content? The platforms can remove any content they want, but we have been pushing them to act more responsibly and less reactively. We have urged them to adopt clear guidelines to ensure that it is done fairly and legally and with a right to appeal and transparency in what they do. To that end, we collaborated with other NGOs to draw up what are now known as the Santa Clara Principles.

There's a big difference between Europe and the United States. In Europe, you're not allowed to make certain statements – racist statements, for example – whereas in the US, freedom of speech takes precedence and is considered inviolable. Which system is more effective?

Right now, I'd have to say that the evidence indicates that neither system is working very well in combatting racist speech online. We have a rise in racist statements (and sadly racist actions) in both Europe and the US. The differences in approach are strategic, with the same goal of fighting racism. Almost no speech is prohibited prior to speaking in the US, because we don't believe that laws can eradicate racist ideas and we worry about overbroad and unfair applications of those laws to silence nonracist speech. Ultimately, under the American view, allowing the speech is intended to rob racist messages of their power, and rob racists of the claim of being the victim.

And the European approach?

It seeks to squelch such ideas by keeping people from speaking them, in the hope that this will make the ideas fade away. I wish that were so but as I noted above, I don't think that there's evidence that this is happening. I also think that in many parts of Europe, people are more comfortable with the idea that the government is going to look out for them, while in the United States our entire governmental system is based on the idea that the government might someday no longer be your friend, and that you may have to protect yourself against it. Sometimes people tell me, "We need the government to step in and regulate all this hate." And my response is, "Do you really want today's government to decide what's good and what's bad? What about tomorrow's government?" While I'm worried about the rise in hateful ideologies in the US and around the world, I remain convinced that in an open competition of ideas, the voices of freedom and justice can prevail over the voices of hatred.

Does it sometimes make you angry when you see how carelessly people behave online?

Every generation that comes in contact with a new technology messes it up at first. In the early days of the automobile, people had all sorts of accidents. It took

time to figure out how to use this new technology and to create appropriate rules. Naturally there are things online that make me angry and even horrified. But I'm confident that we will come up with the right rules and systems, just as we did for cars. Technology in itself is neither good nor evil – we are the ones who decide how it is used. It is my life's work to make the internet as good as it can be. I hope the day will come when I can retire and go run a dive bar somewhere. But until then, there's a lot of work to be done.

What can each one of us do to make the internet better?

People need to join forces – you can't accomplish anything big on your own. There are many good organizations, like ours, that are playing a valuable role in making the world a better place. Support them and help spread the word. People should also use secure communication services and hardware, and take a look at their privacy settings. Finally, people should try to be their best self online and support civility, rather than sarcasm or nihilism. Sometimes it seems that the internet brings out the worst in us but it can also bring out the best.

How can we teach our children to use new media wisely?

*(She laughs)* I think you might be better off asking your children for advice. Leading surveys have shown that young people are better at checking their privacy settings, and they have multiple social network accounts so they think carefully about what they want to share and where. Kids have always been experts in matters of privacy; after all, growing up most of us will have a reason to keep secrets from our parents, teachers and other adults. But all of us need to remember that technology can often give us a false sense of intimacy. While it may seem like we're sitting alone in front of our screens, almost nothing that we do online truly stays private, at least currently. ■

Cindy Cohn (55) is a civil liberties attorney specializing in internet law. She is the executive director of the Electronic Frontier Foundation (EFF), an NGO founded in 1990 that supports privacy rights, freedom of speech and online innovation.



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# “We translate uncertainties into calculable risks”

*What are the greatest risks facing banks at present?*

How is the growing trend towards protectionism to be interpreted? How important are common sense and intuition in the risk management space? We hear from Joachim Oechslin, Senior Advisor - Risk Management at Credit Suisse, who always has to consider the worst case scenario in his work.

Interview Daniel Ammann Photo Christian Grund

Mr. Oechslin, what risks have you had to deal with in your work over the past few weeks? \*

The risks related to the high level of volatility in the financial markets. For us as risk managers, the operational impact of higher volatility is that we always need to carry out additional analyses. For example, this volatility can have a significant effect on our credit portfolio so we need to have a clear view of the situation at all times.

What effect did your analyses have exactly?

Let me give you a simple example: The loans that we grant are often secured against collateral in the form of securities. The political and economic uncertainty in recent weeks caused many share prices to fall. This didn't have a dramatic effect but it triggered a margin call for a handful of loans, meaning that the client had to supply additional financial collateral. That is, to some extent, courant normal in the financial markets and it generally works without any problems. These margin calls are a specific consequence of higher volatility.

\* The interview was held on December 18, 2018.

And now for a general question: What is the main objective of risk management at Credit Suisse?

It is critical for our success that we conduct all our business activities in a risk-conscious and responsible manner. When doing so, we try to determine the probability that key economic factors will develop in a particular way in the future. In other words, we translate uncertainties into calculable risks and manage them in that way. Our primary objective is to maintain our financial strength and reputation and, at the same time, to ensure that we allocate our risk capital to our most profitable areas of business.

How do you do that?

We have created a dedicated governance structure – i.e. a framework – for risk management. It has a First Line of Defense and a Second Line of Defense. Before entering into a transaction, the employee has to assess it according to risk criteria. That is the First Line of Defense. Once transactions reach a certain size and entail a certain level of risk, our Risk Management team performs a completely independent assessment. That is the Second Line of Defense and its importance has increased enormously within the finance industry in recent years. At the start of my career, the independent risk management process involved a small number of people but today, around 3,500 specialists work in my area alone.

How do you take the countless individual transactions that entail different levels of risk and translate them into a risk profile for the entire bank?

Our balance sheet, which totals around CHF 800 billion, consists of assets and liabilities. Both sides of the balance sheet

react to changes in interest rates, share prices, exchange rates, volatility and many other factors. We work with thousands of variables that are correlated. If parameters in the capital markets change, we try to understand how this will alter our balance sheet. And we look at an individual risk and ask ourselves: How high is the probability that a loss will occur? We then compare that with our risk capacity and ask ourselves: What impact would that type of loss have on our equity capital? Analyzing these scenarios is one of our main tasks, which is why hundreds of physicists, mathematicians and economists constantly model our balance sheet.

At Executive Board level, we regularly define the level of risk that we are willing to take. Regulatory capital requirements are, of course, a key parameter in this context.

What were the biggest risks to the bank that you identified in the past few months?

Two topics were especially prominent in recent months: The normalization of US interest rate policy and the trade dispute between the US and China.

Where do you see risks in US interest rate policy?

It is both right and important for the long period of ultra-low interest rates to come to an end. This change of monetary policy is the right approach for the US, where the economy is currently developing very soundly. While the US can afford a rate hike, this poses a major challenge for other parts of the world. In Europe for example, growth momentum has slackened again. In the emerging markets, there is a certain risk that money will flow into dollars because of higher yields in the US.

These capital flows put pressure on emerging markets, and particularly on their currencies.

Have you already observed any effects of the trade tensions between the US and China?

In China, share prices and the currency have come under pressure. In the US – but also in other countries – there are signs that the additional trade barriers are having a negative impact on decisions about capital spending by companies. This dispute is a big topic that will preoccupy us for some time.

What is your interpretation of growing protectionist tendencies?

I think the increased protectionism is also a sign of political populism. The security framework and economic order that were established after the Second World War are based on principles such as values-based multilateralism and the reliability of geopolitical relations. These principles are being called into question, which further increases uncertainty.

In your role as a risk manager, how do you deal with this type of political uncertainty?

Political populism is very difficult to assess because a lot of things can happen that we have never experienced in the past. How will it affect the trading activity of large blocs or mutual economic dependencies that have become greater than ever before as a result of globalization? Quantitative risk models are of limited help when it comes to parameterizing these new, non-linear risks.

What can you do in these cases?

Where political risks are concerned, what is needed is more and more imagination,

The importance of reputational risks – and of managing them – has increased significantly.



Joachim Oechslin (48) has almost 20 years of experience in the field of risk management. He studied Mathematics at the Swiss Federal Institute of Technology (ETH) Zurich and graduated with a Master of Science degree. He spent several years working as a consultant at McKinsey before joining Winterthur Insurance in 2001. After working for Axa Group in Paris and Munich Re Group in Munich, Joachim Oechslin was appointed Chief Risk Officer and a member of the Executive Board of Credit Suisse Group AG in 2014. He became Senior Advisor - Risk Management in February 2019.

common sense and intuition. We have to be able to analyze and interpret the latest developments. Incidentally, humans cannot simply be replaced by robots or algorithms in this context. You have to think ahead and ask the right critical questions: What will happen if the multi-lateral system crumbles? What could happen that has never happened before?

The famous "Black Swan."

Precisely. In the insurance business, for example, experts think about catastrophic natural events that have never happened before but could materialize. One of the most important tools to cover such extreme events are scenarios.

Do you carry out simulations for specific risks?

All the time. Stress scenarios are a vitally important tool.

What are the risks for which you have carried out simulations recently?

Examples include a hard landing for the economy in emerging markets, especially in China; a sovereign debt crisis in the US; a real estate crisis in Switzerland; the impacts of an increasingly protectionist US trade policy; and the various possible outcomes of the Brexit negotiations.

Have reputational risks become more important or is that the wrong impression? That is correct. The importance of reputational risks – and of managing them – has increased significantly.

What do you attribute that to?

There is no question about the fact that trust in banks was eroded as a result of the financial crisis and their reputation was tarnished. This entire industry needed to

learn lessons from this. For example, the Too Big To Fail discussion was not just about financial aspects – it also concerned the economic importance and responsibility of financial institutions. This is another reason why we have to pay much more attention to our reputational risks today than many other companies do. In addition, many conflicts of interest around the world are being played out through financial institutions to a greater extent than they were in the past.

Can you give an example of that?

Take climate change. The Paris Agreement aims to limit the rise in the global temperature to well below 2° Celsius. The question of how that objective should be achieved has been a topic of heated debate around the globe. We have seen for some time that efforts are underway to increasingly conduct these discussions using financial institutions as a platform – partly in a way that is intended to have a public impact, such as at annual general meetings.

How do you deal with that?

Globally active banks do business throughout the world. When making decisions, it is not easy to achieve a balanced outcome that is accepted locally, globally and in our home market. The scope of our role as a financial intermediary is very broad. When conducting our business, we have to carefully weigh up different – sometimes very different – risks and interests. Staying on the subject of the environment, fracking is a form of oil and gas extraction that is relatively well known in the US but not in Europe. In Switzerland, people have to understand that in the US, business relations are maintained with companies in this sector and that is seen as socially

acceptable in that country. By the same token, people in the US need to understand that this form of energy extraction is highly controversial in Europe and Switzerland because of its potential environmental risks.

How do you strike a balance?

This is an ongoing process. It is a question of getting to know the different positions and perspectives and engaging in a dialogue with the different stakeholders and achieving some form of rapprochement.

As a bank, we have to form an opinion about politically and socially relevant issues. Returning to the topic of fossil fuels: The West has benefited from this energy source for a good 200 years.

Would it now make sense and be financially viable for other countries to suddenly stop using them – or would a gradual transition to other sources of energy be a better way? That is just one of the many relevant questions on which we as a bank have to develop a position and then align our business activities accordingly. ■





"New York is my second home," says urbanization specialist Edward Glaeser.



“Cities  
create  
the  
perfect  
climate  
for  
success”



“Happier than villagers in India”: Edward Glaeser on the slum dwellers of Mumbai.



## *How will we live together in the future?*

The world is increasingly urbanizing, and this is a good thing, says Harvard urban economist Edward Glaeser.

Interview Lars Jensen

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Edward Glaeser, in your 2011 book “Triumph of the City” you predicted a golden future for cities.

Has your view been confirmed?

Yes; in fact, the trend is continuing. The share of people living in cities is rising in almost every country. And nearly everywhere, the productivity of these city dwellers is growing.

That’s astonishing. But given modern communications technology, one might assume that many people will leave the expensive inner cities and work decentrally.

In an increasingly knowledge-based economy, nothing is as important as the personal exchange of ideas. Mornings in a coffee shop, on the subway on the way to work or evenings in a restaurant. Urbanity is nothing other than a very small distance between people. The closer together we are, the more productively we work. This is why many people are still willing to pay the high rents in New York, London, Zurich or Tokyo and accept the disadvantages of living in a densely populated environment.

What must a city do in order to succeed? Look at Seattle. Like most traditional industrial cities in North America, in the early 1970s this city was floundering. But its history of strong investment in higher education had yielded a very well educated population. The administration supported new companies: Starbucks,

Microsoft, Amazon. Dozens of smaller companies sprang up. Because the city has become so successful, it now struggles with a housing shortage and very heavy traffic – which would have been inconceivable 20 years ago.

Why are universities so important?

We have found that the income of employees is influenced by two factors, in equal measure: their own education level, and that of the people around them. Cities, with their universities, create the perfect climate for success.

Not all cities are flourishing: Detroit, for example, was one of the world’s most productive and innovative economic areas in 1950, but the exodus of automobile production plunged the city into a major crisis. Is something like that also conceivable for today’s boom cities, such as San Francisco or Seoul?

Conceivable, but not very likely. Detroit’s success was based on the perfect location, workers with low wages, and an idea: mass production. The success of San Francisco or Seoul is based on complex, knowledge-based networks that cannot readily migrate to other regions.

Soon, 60 percent of humankind will live in cities, with the heaviest growth in the megacities of developing countries. Why are people there moving into the urban centers?

The cities offer them hope. And rightly so: Our studies in India have found that even the poorer residents of major cities are happier than villagers.

They are happier in anonymous, densely populated poor neighborhoods than in their villages?

Cities such as Mumbai, Rio de Janeiro or Lagos are in a similar situation to that in our cities during the last century. They cannot cope with the disadvantages of high population density. Governments lack the money to make necessary investments. But despite this, even the favelas in Rio or the slums in Mumbai represent the best alternative for many people. Compared with the problems in rural areas, where social services are nonexistent and opportunities for economic development are lacking, the cities offer them better prospects and probably also a better life.

In recent years, city planners have developed the concept of a “smart city.” For example, Google is currently building an entire, fully networked neighborhood in Toronto. What role can technology play in the urban context? Each city suffers under its own very specific problems and is looking for tailor-made solutions. Kinshasa needs a sewer system, Rio must get a grip on crime, Rome needs a subway system,



New York a million apartments, Beijing cleaner air. Many of these problems are thus a matter of traditional, analog infrastructure.

Drones that deliver packages, or self-driving cars – you don't see these as solutions?

Of course, technological change offers interesting opportunities to make our cities much more livable, but only if new technologies go hand in hand with better attractions and institutions. Take, for example, the self-driving car. It permits a better flow of city traffic and lets drivers make more productive use of time stuck in traffic, because they can work and don't have to watch the other cars. But if this makes heavy traffic more tolerable, more people become willing to put up with traffic jams, and then there's even more traffic.

What can be done to counter this? We would have to immediately introduce an economical and effective GPS-based congestion toll. By charging drivers for the traffic jams and environmental damage they cause, we can ensure that autonomous vehicles improve the situation, rather than making it worse. In the ideal case, such fees are adjusted in real time to the traffic volume in any one place, so that drivers can better decide when and where to drive.

Tolls are already under discussion in many cities, but they are generally rejected because of the disadvantages for poorer suburban residents.

We have to do what they're doing in Singapore. The city invests all of its toll revenue in local public transportation, and because traffic is light, the buses there can drive quickly.

## The most important factor is always the quality of the administration.

Climate change poses an existential threat to nearly half of the world's megacities. Bangkok, Miami and New Orleans are regularly flooded, while Los Angeles and Cairo are drying up.

Nine of the ten cities that will be most at risk of flooding by 2070 are in Asia. Metropolises such as Mumbai, Calcutta and Dhaka are already overrun by climate refugees, although the cities themselves cannot survive in their current form. But despite these examples, we must ensure that in the future, even more people live in cities. Urbanization remains one of the most effective tools for combating climate change.

In what way?

The per capita CO<sub>2</sub> emissions and energy consumption from traffic are lower in cities than in rural areas. Furthermore, people who live in apartments use less

electricity or energy for heating than people who live in large suburbs or on farms. In the United States, a single-family home uses 83 percent more electricity on average than a city apartment. The biggest difference is the cost of the land, because it prompts us to live in smaller apartments.

Your Harvard colleague Susan Fainstein has coined the term "just city." She writes that city planning that aims for growth ignores the weaker members of the community.

As I mentioned, I believe that rather than slowing the growth of cities, we must accelerate it. But Susan Fainstein is right when she says that income inequality is becoming more and more extreme. I advocate higher and denser housing projects. Only by increasing supply can we lower the price of apartments. Fainstein cites Amsterdam's social housing program as a successful model. I agree with her there.

For years, the same cities have led the rankings for quality of life: Copenhagen, Vienna, Zurich, along with cities in Australia and Canada. Why do other cities find it so hard to rise into this league?

These cities have several things in common: a manageable size that makes them very bicycle-friendly; historic buildings; outstanding universities; smart governments. Most of them are capital cities and economic and cultural centers within their countries. It's an unbeatable combination.

You praise smaller cities – do the large metropolises have any chance?

Yes, of course – but the most important factor is always the quality of the administrations. Take Singapore: That city comes very close to my ideal image. Extremely dense development, relieved by many public spaces. Very effective local transportation and world-class universities. Also, an entrepreneur-friendly economic climate. Fifty years ago, Singapore was comparable to Manila or Saigon; now the city surpasses even most western metropolises.

What's the first thing you do when you visit a city?



Edward Glaeser (51) is an economics professor at Harvard University. His research focuses especially on the factors of city growth and the role of cities as centers for the transmission of ideas. He became widely known through his book, "Triumph of the City: How Our Greatest Invention Makes Us Richer, Smarter, Greener, Healthier, and Happier" (2011).

I go for a long walk and allow myself to be carried along. You can only understand a city when you study its rhythm on the sidewalks.

Do you have a favorite city other than Singapore?

Singapore is very well managed, but somewhat too orderly for my taste. I love Rio, despite all its problems. And Mumbai is also fascinating. Vancouver is well planned. New York is my home town. But for me, cities are like children. I love them all, each in their own way. ■



"It comes very close to my ideal image of a city," Edward Glaeser on Singapore.



# “Will there be more fish or plastic in the ocean?”

*Did you know?*

The first step in changing your behavior is recognizing that there is a problem.

Thirteen questions about sustainable development in the world with some surprising, sobering and enlightening answers.

Compiled by the editorial team

1 Which fruit requires more water to produce?

A Apples B Oranges

2 Between 1960 and 2000, the number of children in the world grew from 300 million to 1.9 billion. How many children will there be in 2050?

A Further growth to 2.3 billion  
B Number will remain constant

12 Cash transfers to poor households should be avoided because the money is often misused.

A True B False

6 What percentage of the global population does not have access to education in a language they speak or understand?

A 5% B 40%

3 There are more refugees living in ...

A high-income countries (Gross National Income (GNI) per capita of more than 12,736 US dollars per year).  
B low-income countries (GNI of less than 1,045 US dollars per year).

4 If current trends continue, coral reefs will disappear by ...

A 2050. B 2150.

9 In the last decade, the number of new HIV infections in Sub-Saharan Africa has ...

A increased. B decreased.

10 If current trends continue, by 2050 there will be, by weight, more of which of these two in the oceans?

A Fish B Plastic

11 Who has the larger installed capacity of renewable energies?

A China B Europe

8 How many planets would we need if the global population consumed as much as the average person living in Switzerland?

A 1.5 B 3.3

5 In what year was malaria eradicated in Europe?

A 1875 B 1975

13 Worldwide there are more people who are ...

A overweight.  
B undernourished.

7 Worldwide, what is the biggest challenge in education?

A Access  
B Quality

1 A) – Apples. On average, one apple requires 125 liters of water to produce, as compared to 80 liters for an orange. Of course, many other factors such as location, production methods, and labor conditions determine how sustainable a product is.

2 B) – The number of children will remain constant. The reason why the global population will nonetheless grow to 10 billion by 2050 is not due to a high birth rate, but rather to the fact that given a high birth rate in previous decades, there are currently many people of childbearing age.

3 B) – Low-income countries. In 2015, 3.24 million refugees lived in the 31 low-income countries of the world, whereas 1.94 million lived in the 77 high-income countries. Germany, which out of the high-income countries hosts the greatest number of refugees (315,115), trails behind Ethiopia (736,086), Uganda (477,187), Democratic Republic of the Congo (383,095), and Chad (369,540), from the low-income group.

4 A) – 2050.

At current rates of warming, it is estimated that coral reefs will disappear worldwide by 2050. In addition to warming temperatures, ocean acidification, pollution and unsustainable use threaten coral reefs. 500 million people depend on coral reefs for food and income from fishing, coastal protection, building materials or tourism while 30 million people are directly dependent on coral reefs for their livelihoods or land base.

5 B) – 1975. Less than a century ago, malaria was prevalent across the world. The last major outbreak in Europe happened in the Netherlands in 1946 with 2,400 infections, but it was only in 1975 that the World Health Organization declared the last country in Europe malaria-free (Greece).

6 B) – 40 percent. Bilingual education is especially important in ethnically diverse countries. It leads to better learning outcomes and higher attendance.

7 B) – Quality. In Sub-Saharan Africa, for example, only 52 % of children had access to education in 1990, whereas 78 % had access in 2012. Much progress, however, remains to be achieved in terms of quality of education.

8 B) – 3.3 planets. The ecological footprint concept looks at the amount of natural resources we consume and the amount of waste we produce and contrasts it with the necessary land and water area. The current ecological footprint of the entire world population is equivalent to 1.5 earths. If everyone lived like the average person in Switzerland, we would need 3.3 earths.

9 B) – Decreased. Globally, the number of new HIV infections continues to fall, with Sub-Saharan Africa making the most progress out of all regions in the world. Between 2001 and 2012, new infections there fell by 40 percent. Investments in HIV prevention do pay off.

10 B) – Plastic. If current trends continue, by 2025, there will be about one ton of plastic for every three tons of fish in the ocean, and by 2050, there will be, by weight, more plastic than fish in the oceans.

11 A) – China. With an installed capacity of 519,748 megawatts (MW) in 2015, China surpassed the whole of Europe (487,378 MW) and has more than twice the capacity of the United States (219,343 MW).

12 B) – False. Cash transfers have the advantage that they give agency to people, providing them the option to buy what they really need. Furthermore, they boost the local market rather than importing goods from outside.

13 A) – Overweight. Worldwide, there are approximately 800 million people suffering from under-nourishment. While this number has been decreasing over recent decades, the number of overweight people has constantly increased to reach 1.9 billion people in 2014.

The questions printed here come from a game called Sustainable Development Geek produced by the Swiss Agency for Development and Cooperation (DCA). Order your free copy at [eda.admin.ch/sdgeek](http://eda.admin.ch/sdgeek)



# “It’s a cliché, but true: Giving makes people happier than receiving”

*How can we win the battle  
against extreme poverty?*

One billion people are  
struggling just to survive.  
It would take less than  
one percent of the income  
of richer countries to  
help them, says American  
economist Jeffrey Sachs.

Interview Daniel Ammann and Michael Kroboth

Professor Sachs, where are you seeing the most success in the global fight against poverty?

The rate of extreme poverty\* in the world has dropped dramatically over the past few decades. This term is usually defined as deprivation so severe that it poses an acute threat to life.

Where have the declines been most striking?

China is the best example, of course. Fifty years ago, most of China was very poor and very rural. Today it is the world’s production center and a middle-income country. India, too, has achieved a significant decrease in poverty. So there has been great progress, and yet 8 to 10 percent of the world’s population is still living in extreme poverty, with twice as many living in conditions that most of us would find difficult, to put it mildly. While some parts of the world are enjoying great prosperity, one billion people struggle every day just to survive.

The United Nations’ Sustainable Development Goals call for eradicating extreme poverty worldwide by 2030. Is it possible to win the war against poverty in the next ten years?

\*The World Bank defines people as poor if they are living on less than 1.90 US dollars per day. According to the World Bank, 10 percent of the world’s population was living in extreme poverty in 2015.

Jeffrey Sachs (64) is the director of Columbia University's Center for Sustainable Development. A trained economist, he is recognized as one of the world's leading experts on sustainable development and the fight against poverty. He led the effort to draft the UN Sustainable Development Goals, which Credit Suisse is actively involved in implementing.



Unfortunately, we are not on track to achieve that goal. In 2015, when the goal was set, it still seemed feasible.

What has happened since then?

The countries that are in a position to do the most – starting with my own, the United States – are not taking this goal very seriously. It is in fact possible to eliminate extreme poverty worldwide, but there is a lack of the sense of global mission needed to actually reach that goal. None of the recent meetings of the G20 heads of state have emphasized the commitment we have made or asked what we can do to achieve our goal. Policymakers seem to be more distracted than ever.

What do you see as the greatest challenge in the fight against global poverty?

By far the greatest challenge is to make people in wealthy countries understand

that there are regions where people are so poor that they simply cannot, on their own, lift themselves out of poverty – no matter how hard they try. These regions lack roads, electricity, fiber optics, schools and hospitals. Perhaps the reasons can be traced back to the colonial era, or mismanagement, or a remote location. There are many causes, but the results are the same: Hundreds of millions of people are denied access to the market economy. These are people who have no income, and no basic infrastructure in the surrounding area. They are people who are suffering. These people need our help.

What should be done?

Less than one percent of the income in the wealthy part of the world would be enough to enable these regions to lift themselves out of poverty. But as absurd as it may sound, we are simply unable to

mobilize that one percent to help the world's poorest people.

What would you do with the money?

I would build schools, hospitals and roads. I'd provide clean water and electricity from renewable sources, such as wind or solar. I'd send children to school. I'd fight epidemic diseases so that people would have the physical strength needed to work. I'd enable these regions to sell agricultural products, offer services or promote tourism. People living in extreme poverty need basic structures so that they can earn a living and spur economic development. None of these things will happen on their own; it takes an initial push – and that is an enormous problem.

Some critics would argue that these regions are poor mainly because of poor governance, or because of widespread violence and corruption.

And I would respond that, in numerous cases, the problems they point to are not actually the cause, but rather symptoms of extreme poverty. These regions are caught in a poverty trap, and they will not be able to free themselves without basic infrastructure, skills and health.

Over the past decades, hundreds of billions of dollars have been spent on development aid. Nevertheless, many countries are still doing badly, especially in Africa.

That can be explained in part by what doctors refer to as a "subtherapeutic dose." A small amount of aid is provided, but not enough to actually solve the problem. If you receive an insufficient dose of a drug and it doesn't work, you'll probably come to the conclusion that it's a bad drug. But you should instead conclude that the dose was too small.



Is there evidence that this is the case? Absolutely. I've just finished conducting an analysis with the International Monetary Fund. It shows that low-income developing countries need far more aid than they are actually receiving. We can criticize these countries, but the fact is that they simply lack sufficient resources. The aid we provide is very limited. The wealthy countries spend an average of only 0.3 percent of their income on aid. And much of that can't really be called aid, since it goes to refugees, scholarships or administrative staff in the countries themselves.

What can companies do?

They can make an enormous contribution. They have organizational resources and technology. They can provide solutions for extremely poor people, even if these people currently offer little potential for profit. Novartis – a company I work with – is playing a major role in combating malaria, for example. I would also challenge telecommunications and IT companies to do more in the area of education, since online learning, teacher education, classroom networking and support for children's learning are among our paramount objectives. And let's not forget company owners, or asset holders; they too can make a big difference.

Bill and Melinda Gates are setting a good example with their foundation. Their assets total approximately 95 billion US dollars. Jeff Bezos, the founder of Amazon, has a fortune of more than 160 billion US dollars. All together, the roughly 2,000 billionaires in the world hold assets of about 10 trillion US dollars.

Credit Suisse's commitment

As part of its Financial Inclusion Initiative, Credit Suisse is partnering with the Consultative Group to Assist the Poor (CGAP) to support its work in building inclusive and responsible financial systems that help people move out of poverty, protect their economic gains and advance the broader global development agenda. CGAP is a global partnership of more than 30 leading development agencies, private foundations and national governments.

That's far more than anyone could ever spend. I firmly believe that a market system that enables people to accumulate such unimaginable wealth also requires unprecedented philanthropy. Just one percent of the assets of the world's 2,000 richest individuals – 100 billion US dollars – would be enough to send every child in the world to school up to the age of 15 or to give the entire population of the poorest countries access to basic medical care.

How can people with average incomes contribute?

As citizens, we have the important responsibility to tell our governments that it is neither safe, nor prudent, nor fair to allow one billion extremely poor people to continue to suffer, when there are obvious solutions. In a world as rich as ours, there is simply no reason for extreme poverty. The facts are clear: Societies that are more generous and unselfish are also happier. It's an old cliché, but it's true: Giving makes people happier than receiving. ■





# “I had to make it clear who I was”

*How can more women succeed in the workplace?* Economist and attorney Carla Wassmer is a pioneer in this area, and she talks about her difficult path to success. Her advice to young women: Regard your career as an important part of your life – even if you have children.

Interview Philipp Fanchini Photos Joan Minder

Ms. Wassmer, you started out as a secretary and worked your way up to earn a PhD and become an attorney. What was it like to pursue a career in the 1970s and 1980s?

The situation for women was very different from today. I was in my early 20s, and career planning wasn't even a topic of discussion for a woman. I grew up with three sisters in a working-class family. Our parents treated all of us equally, and I didn't have to compete with a brother for attention. But the idea of a girl attending a Gymnasium – an academically oriented high school – was simply unthinkable.



Not a single one of the 50 girls in my elementary school class moved on to a Gymnasium. It would have cost money, and families usually sent their sons to higher-level schools. So I never gave a thought to planning a career.

After completing a commercial apprenticeship, you managed to go back and earn a high school degree and then studied economics at the University of St. Gallen. Why economics?

It was a conscious decision. Unlike many of my fellow female students, I didn't choose a socially-oriented discipline. Economic thinking has always come naturally to me, and I thoroughly enjoyed my studies. I went on to earn a PhD because I noticed that as a woman, I wasn't being taken seriously. I subsequently gained admission to the bar. During my early days as an attorney, it was often assumed that I was the secretary. I had to make it clear who I was.

As a student, you also spent time in Siena and Durham. What was it like, after that, to start out as an attorney in the rural canton of Schwyz?

When I was admitted to the canton's bar association, not a single woman was practicing law in Schwyz. I still remember the president of the district court welcoming me with Christian Morgenstern's poem "The Hen," which is about a hen in a train station, where it doesn't belong.

Later on, you were the only woman in the agency that oversees the office of Switzerland's Attorney General. Generally speaking, how do you succeed in situations like that?

In all of the positions I've held, I've found that it was important – especially for a woman – to be very serious and to work harder than other people do. I've had to prove myself by performing well, demonstrating that I was the right person for the job. But I can't complain. At the time, many companies and government institutions were recognizing that it was in their

interest to hire a woman, and I was quite sought-after in Schwyz. On many of the boards I served on, I was very well received by the other members – all of them men – and accepted as their equal.

In Switzerland, it wasn't until 1971 that women gained the right to vote. Did you participate in that fight?

Obviously I supported voting rights for women – not least in my own interest. Young women today can't imagine what it was like. I was working, paying my taxes, and yet I was completely excluded from the democratic process. I couldn't vote, nor could I be elected to a public office.

An article on gender equality was added to Switzerland's constitution in 1981.

What changes has that led to?



During my early days as an attorney, it was often assumed that I was the secretary.

Unfortunately, I'm extremely disappointed by what has happened since that time. For many young women, the priorities are again clear: marriage and motherhood rank first, far above their careers. They enjoy and take advantage of a good education, but often lack passion for their studies and professions. Switzerland should consider switching to a loan-based system for higher education. Then young people would think more carefully about whether they really want to attend a university.

So you're critical of the traditional conservative view of gender roles? It's perfectly all right for a woman to choose marriage and motherhood. But she should be aware of the consequences of that choice. If she works part-time while taking care of her children and household, it will put her at a disadvantage when competing with men in the workplace. Moreover, women can become economically dependent on their partners, so they should take appropriate steps to protect themselves, in case the marriage doesn't work out. It's all a matter of planning your life. Women need to think about what they want, how they can achieve their goals, and – most important – what they are willing to give up.

What can be done, given such a lack of planning?

It is of little benefit to increase the number of daycare slots, introduce paternity leave or extend the period of maternity leave. All of this merely reinforces conventional thinking. Women must realize that careers are relevant to the lives of every one of us – whether or not we have children.

What did you have to give up for your career?

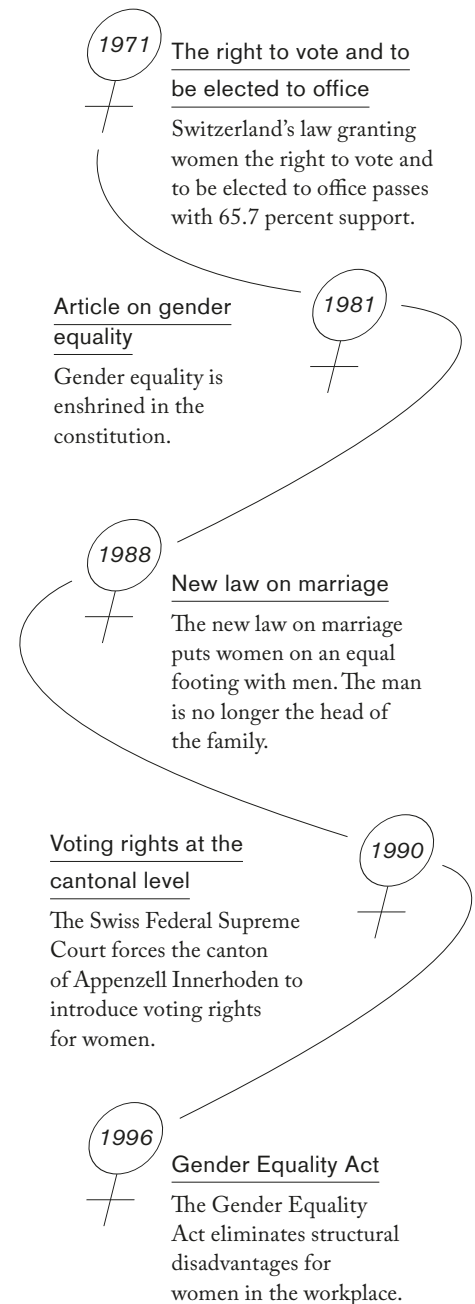
When I was young, there were no structures in place that would have allowed a woman to work full-time and also have children. That's why I decided not to have a family of my own. Not because I don't like children – on the contrary. I probably would have found it very difficult to let someone else care for my child – other than my sister, perhaps. I also made a conscious decision not to marry. My commitment to my career made me a rather exotic case. I never regretted the path I chose, since I did so deliberately and after careful thought.

How do you explain the gender pay gap? Women who perform as well as their male colleagues should receive equal compensation. Companies have an obligation to ensure that this is the case.

Let's talk about men: How do men approach the issue of life planning? I would say that in contrast to women, men tend to have a general plan for their lives, and they take the necessary steps to achieve it. Career still ranks first for many men. They tend to be concerned primarily with themselves as they plan their lives – and by the way, for many this doesn't necessarily change when they get married, although this is precisely the time when collaboration and joint planning are so important.

One last question: What plans have you made for your old age? We need to accept the fact that everything has an expiration date – including, and especially, human beings. I am finding old age to be an exciting and enlightening period of life. I have the luxury of being in good health and having opportunities to focus on what interests me. I'm able to enjoy the time I have, and I hope that I will go happily when the time comes. ■

## Voting rights for women in Switzerland



Carla Wassmer (74) holds a PhD in economics. She was a partner in a law firm and the first woman to serve in the agency that oversees the office of Switzerland's Attorney General. She lives in Schwyz.



# “The trees were already there”

*Can desertification be stopped?*

Tony Rinaudo offers hope. The impact of his work can even be seen from space. Satellite images of Africa now show forest where once there was desert. In 2018, the Australian agronomist received the Alternative Nobel Prize for his reforestation methods, and the development community is finally listening to what he has to say.

Interview Michael Krobath

Tony Rinaudo, according to the UN, desertification is the greatest environmental challenge of our time. What is happening, exactly? Over 40 percent of the earth's landmass is either already drylands or at risk of desertification and land degradation. Desertification is a consequence of deforestation, overgrazing, erosion and climate change. Sub-Saharan Africa is far from the only region to be affected. Desertification also impacts North Africa, the Middle East, South Asia and southern Europe. The consequences are poverty, hunger and migration. Spreading deserts threaten about one-third of the world's population, and we're losing seven million hectares of forest to desert every year. It's shocking.

Many billions of dollars have been invested in reforestation efforts in recent decades. Has it not helped at all? We chose the wrong approach and began planting trees like mad. Saplings aren't going to stop the deserts advancing. They are wiped out by wind, heat and drought. I came to Niger in 1980 as an aid worker, and I, too, spent three years trying and failing to reforest the degraded drylands that way. We were lucky if a quarter of the trees we planted survived. I was frustrated and wondered what the point was.

You then discovered a reforestation method, farmer-managed natural regeneration (FMNR), which the World Resources Institute says is probably the largest positive environmental transformation in Africa in the last century. How did that come about?

I had been in the Sahel for three years when, one day, my car got stuck in the sand. When I got out, I saw tiny bushes. And as I looked closer at the tufts of green, I realized they weren't grass but shoots from trees that had been growing there years and decades ago but had

been cut down and were never able to regrow because people, in their desperation, had cut even the greenest material for fuel. It was immediately clear to me that this was the solution. We didn't have to plant new trees at all. The trees were already there. An underground forest was right there, waiting for a chance to come to the surface.

How exactly does the FMNR method work?

It's really quite simple. All it takes is a pocket knife and some people who know how to use it. The farmers simply have to take care of a few shoots, protect them from goats and fire, and prune them regularly. After two or three years, those shoots will have grown into new trees that are perfectly adapted to local climate and soil conditions. As a result, the microclimate also improves and the water table rises.

Farmers in the Sahel must have been really excited about your discovery. Quite the opposite. At the time, farmers had cut down almost all of the trees in the area for building material and firewood, and they believed that trees made the ground infertile, that they attracted snakes and birds that would eat the seeds they planted. In addition, they had been told for decades that they had to cut down the trees in their fields because trees reduced crop yields. And suddenly, here comes this white man, telling them exactly the opposite, that they should let the trees grow in their fields to increase yields. They laughed

at me, called me crazy, and it was only with great difficulty that I was able to convince ten farmers to test my method.

And how did that work out?

When the years that followed brought severe drought to the land, those ten farmers were the only ones who still managed to bring in a good harvest. The trees' long roots served as reservoirs for moisture and helped prevent erosion. The leaves provided shade, fodder for the goats, and fertilizer for the depleted soil. The pruned branches provided firewood and building material. The other farmers saw this and were amazed – and eventually followed suit.

Today, this method is being practiced in 24 countries in Africa. In Niger alone, over 200 million trees have grown across an area covering 50,000 square kilometers and the difference can even be seen from space. Despite that, the international development community largely ignored you and your method for a long time. I suppose it would have been admitting their own failure. Maybe it just sounded too good to be true. Whereas conventional reforestation efforts cost around 8,000 dollars per hectare, the FMNR method costs only around 20 dollars per hectare. And because the existing tree roots are much longer, nearly 100 percent of the trees survive. But the truth is that it wasn't until 1999, when I was hired as an advisor by World Vision [*editor's note: one of the world's largest development aid organizations*] that more and more experts started listening to me. And thanks to the Right Livelihood Award 2018, the "Alternative Nobel Prize,"



I've finally got a seat at the table at the big environmental conferences.

What makes you optimistic that we can stop desertification in the 21st century? Niger. If one of the world's poorest countries, with a terrible climate, can manage to improve its situation, then other countries with more rainfall and better soils should definitely be able to do so as well. Trees are the key to combating desertification and protecting our climate. Scientists have found that forests can process 20 to 25 percent of the world's CO<sub>2</sub>, which may at least reduce global warming. But we have to act now. Development organizations should be building coalitions in every country.

What have you learned about nature as a result of your discovery? That although we think of it as very fragile, it's really very resilient. If we work with nature instead of taking a sledgehammer to it, it bounces back.

And what have you learned about people? When I arrived in the Sahel, I thought poverty and hunger were the main issues. But with time I realized that it's actually about ownership and self-determination. People are primarily concerned with protecting their futures and those of their children. That's their highest priority and what we have to help them achieve. The FMNR method gives farmers back their livelihoods – and that is the real key to its success.

What is your greatest wish? The FMNR movement spread across Niger without my even knowing it. We started it, but the idea spread organically, through farmers talking to farmers. I'd love to see that sort of movement take root in 100 countries by the year 2030.

Projects have a beginning and an end and finite budgets. But movements create a whole new awareness. And that is what we need. We have no other choice.

Do the farmers still call you “the mad white farmer”?  
Now they call me “the chief of all farmers.” Some have named their sons after me, which I find a bit awkward. What really makes me happy, though, is when they say to me, “Tony, you’ve given us back our dignity.” ■

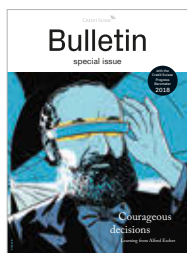


At first, they laughed at him, calling him crazy: Agronomist Tony Rinaudo with Sahel farmers.

Tony Rinaudo (61) is an agricultural economist and has been working for the humanitarian aid and development organization World Vision since 1999. The reforestation method Rinaudo developed, FMNR (farmer-managed natural regeneration), is one of the most effective and inexpensive forms of climate protection. In 2018, he received the Right Livelihood Award (also known as the “Alternative Nobel Prize”). He is married with four children and lives in Melbourne. [worldvision.ch](http://worldvision.ch)



Bulletin 3/2018  
“Ideas from Switzerland”



Bulletin special issue  
“Courageous decisions /  
Alfred Escher”

## Perfect English translation

Credit Suisse's Bulletin is a superb publication. It is full of fascinating articles offering insight into Switzerland, its people, what they think and feel and its institutions. Excellent writing, perfect English translations, beautifully illustrated and high quality paper. Thank you for the excellent work.

Robert Hastings, Wallisellen

## Kudos

Although I am not a CS client, I read Bulletin regularly. I'd like to offer my thanks for that, along with kudos for the wide range of issues you cover. I really appreciate it.

Peter Müller, Reckingen

## We've worked enough!

I read every word of the special issue on retirement, because I will be celebrating my 65th birthday in 2020, and I will be eligible for a well-deserved retirement. Do you really think that the people would vote to increase the AHV age to 65 for women and 67 for men? Such a proposal would certainly be rejected. We have all, both men and women, worked long enough. Young people are complaining that they won't get AHV when they retire. They need to pay into it first, just as the older generation has for years.

Markus Schneider, Nidau

## Reminded of Wilhelm Busch

As someone who grew up in the analog age, I appreciate the printed word, along with the oldest and best banking magazine, especially due to its unfailingly solid content. The first Credit Suisse Progress Barometer made me think of Wilhelm Busch and his line in Diddle-Boom!: “Music is always noise-related / And often not appreciated.” I would update it as follows: “Progress is always change-related / And often not appreciated.” Nevertheless, we need progress!

Gustavo A. Lang, Brissago

## Special issue for a great man

I would like to offer you hearty congratulations for both your choice to dedicate a special issue to the great Alfred Escher and the quality of the articles in that issue.

Henri Rougier, Chamason

## We welcome all letters from readers.

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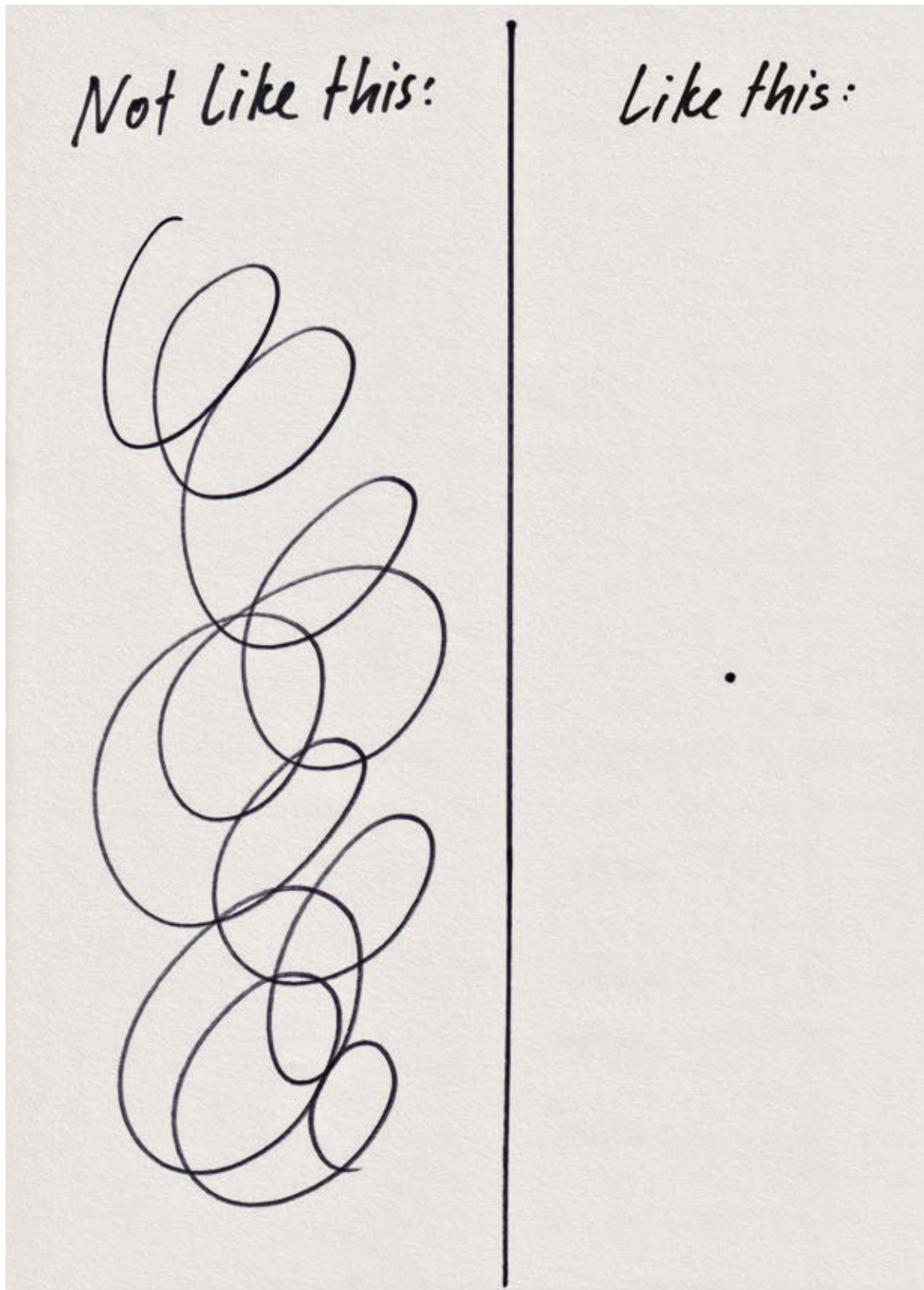
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*What's your biggest personal challenge?*



Beni Bischof is an award-winning artist from eastern Switzerland. His aim is to bring humor to art, and he sees himself as part of the court-jester tradition. His stylistic devices are trenchant drawings and absurd collages.



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We are in the process of implementing over 120 development projects in 36 countries, focussing on skills development, enterprise promotion, inclusive finance, and climate-smart economy. By doing so, we can create the conditions for a socially and ecologically responsible private sector, contributing to poverty reduction in each of the countries we work in.

We create opportunities.

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