

## "THE SCARY NEW WORLD: How to do Business in a World without Order?"

### Northern Light Summit 2015

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#### THE SCARY NEW WORLD: The Fragmented Landscape

The Summit's title was indeed apt in describing the several acute crises besetting Europe and the world at large. The scary elements include a Russian-Ukrainian conflict that in its wider potential ramifications poses a threat to the entire post-Cold-War international order; a Greek debt crisis that threatens to derail not only that country's economic and social fabric but also, potentially, European and world economic stability; and growing turmoil in the Middle East, made worse by a gruesome campaign of unparalleled violence and cruelty waged by the jihadist so-called 'Islamic State', contributing to a process of state disintegration in the region.

In addition to these crises the Summit noted with concern a number of other rising threats, such as new Chinese territorial claims on distant reefs in the South China Sea also claimed by other states in the region; a massive flow of refugees fleeing from the Middle East and Africa toward Western Europe in particular, fraying the European Union's inner cohesion in the process; a rise in in cyber attacks in various countries threatening vital infrastructure; and the threat of renewed nuclear arms proliferation if the current international efforts to reach a corresponding deal with Iran were to fail.

#### THE SCARY NEW RUSSIA: Is It Still Open for Business?

Western sanctions against Russia over Ukraine have a tangible effect on the Russian economy, including in finance, but conducting business in the country is still seen possible. Low oil prices have eaten away at the country's currency reserves and have lowered standards of living, but popular support for the Russian President remain strong. The Minsk Agreement is fragile, and Russia seems to be engaged in a waiting game over hostilities in eastern Ukraine.

#### MAKING EUROPE LESS SCARY: Business Leaders as Game Changers

To harness Europe's business potential, a measure of deregulation is needed in many countries, not least as regards labour market flexibility. Immigration of labour and especially qualified labour is also necessary, as are measures to make these people settle in the host country for good. Companies should also widen their horizon to include emerging countries like India and China in this new era of global connectivity.

#### THE SCARY NEW DATA: Are 'The Cloud' and the IoT boons or banes for European Business?

Europe is lagging behind the US in Cloud entrepreneurship, but has the prerequisites to catch up if the right public policies are pursued, and over-regulation avoided. Privacy issues have to be addressed. Technology will develop inexorably and exponentially, and proper legislation is necessary to gain the public's trust and agreement as regards its use.

#### THE NEW RENAISSANCE: Understanding the Age We Are Living In

Humankind now stands at the threshold of a 'New Renaissance'. The Information Age holds out the prospect of unprecedented progress: the defeat of poverty, hunger, disease and perhaps even ageing itself are within reach.

The question is whether people will still feel in control of their lives and destinies? Would they instead want to return to an earlier, less sophisticated and complicated era perceived as more genuine and 'human'? Could a revival of the study of philosophy and the classics - and indeed religion - provide a remedy against shallow thinking, 'short-termism' and an excessive rationality that could prove barren?

### **GOOD NEWS FOR HUMANKIND**

The best hope for bending the curve on climate change comes from a change in investor behaviour. Investors are moving to new, cleaner technologies. They are doing it to mitigate risk and maximize returns. In other words, greed will be part of the solution.

The rapid progress in biotechnology is already dramatically bringing down the cost of decoding the human genome at individual level, with major implications for public health. Moreover, the large-scale production of clean biofuels from a host of vegetation sources might soon outcompete petroleum. Genetically modified organisms (GMOs) could help feed an even more numerous humankind, while 'biosimilars' could help keep that same humankind in better health.

International trade can change the world for the better by enhancing human contact and hence promoted peace - aided in this by the new global interconnectedness via the Internet.

Young people are embracing entrepreneurship in most parts of the world. They are challenging established companies and industries and forcing them to change.

Computer programming could, quite literally, be 'child's play', lots of fun and akin to probing the mysteries of human grammar.

### **A SCARY NEW EUROPE: What kind of future for the Euro?**

Should Europe do all it can to preserve all the current members in the Euro? Or should it look for a more flexible system where countries can leave and re-enter the Euro? Furthermore, is Europe's global role based on the Euro or is it about more than the Euro? Should we see it as one initiative among others? If it works, keep it. If it does not, fix it.

One thing is certain: we cannot stop helping Greece whether it stays in the Euro or leaves it. We must keep Greece in the European family.

### **A NEW ROLE FOR BUSINESS?**

Nowadays, most of the discussion about the Eurocrisis is about short term solution. We must look for sustainable long term solutions. Business leaders have an important role in this. For too long our contacts with policy makers have been restricted to regulatory issues. It is time for business leaders to re-enter the debate about what is the right direction for Europe.