

# BMW Foundation

Herbert Quandt

Berlin Global Forum | 24 November 2017

Welcome Remarks

Michael Schaefer, Chairman, BMW Foundation

# Restoring Public Trust



## Location

Westhafen Event & Convention Center (WECC)  
Westhafenstr. 1, 13353 Berlin

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# **Berlin Global Forum**

**Restoring Public Trust | 24 Nov 2017**

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Warm Welcome to the 2nd Berlin Global Forum.

## **Restoring Public Trust**

Trust - or better the loss of trust - is the key notion this week in Germany. Four of our mainstream parties have not lived up to the task of forming a government entrusted to them by our voters. This inability will widen the trust gap in our society rather than bridging it in view of a very disconcerting trend which has started to affect many societies.

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A trend towards fragmentation, towards political polarization, resulting in the ascent and strengthening of populist or even radical movements. This is true for many European and other western countries.

In more and more of our societies significant parts of the population reject the corner stones of liberal democracy, question the rule of law, turn against fundamental human rights - and result in splitting our societies.

Brexit UK, Trump's America First or Orban's un-European policies are but symptoms of a much wider phenomenon.

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We observe a loss of trust in politics as a whole, and similarly in the economic system as a whole. We are facing a general erosion of trust in public and private institutions.

An increasing number of people are blaming institutions for their perceived marginalization, national, regional and global institutions which were instrumental in securing peace, prosperity and stability for two entire generations.

The conviction of my generation that multilateralism is the most rational way of tackling the enormous challenges ahead of us is being brushed away by a wave of anti-globalism, anti-open-trade and a renaissance of nationalist trends.

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What is true for western societies is all the more true for countries that are still struggling for their own way of development, for conflict-torn or post-conflict societies.

Fragile societies which are in danger of becoming failing societies because they cannot turn around the vicious cycle of misuse of power by the old elites, the frustration and anger by the people against these corrupt elites and the deep trust gap which prevents a rebooting of the public engines of that society.

To use a medical metaphor: We are observing a virus affecting entire countries and regions threatening their stability.

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We need to build an understanding on how to find cure for this disease.

It is important for us to understand better the root causes for the phenomenon of widespread mistrust if we want to prevent further fragmentation or the failing of entire States. If we want to contribute to rebuild post-conflict societies.

What do we mean if we claim: Restoring public trust?

As institutions, private or public, are represented by individuals, in particular persons with decision making power, it is essential that these leaders are living up to their responsibility.

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The responsibility other people have entrusted them with or the institution they represent. It is essential that those who have decision making power are seen by others as trustworthy.

Trustworthy, most people would say, is somebody who is honest, reliable, competent, somebody who is ready to listen - also to dissenting opinions. Somebody who takes my concerns or anxieties seriously.

However, we very often cooperate with persons or organizations who are obviously not trustworthy, for instance the old elites in failing or post-conflict societies. International organizations are intergovernmental by nature and not really inclusive.

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As trustworthiness is a rare currency, especially in autocratic countries, we need to forge coalitions of unlikely allies. Coalitions which include local actors, like mayors, religious or cultural leaders, people who do not belong to the old elites and who have the trust of their local communities.

If we are here to look for avenues to restore public trust - which is the claim of this Forum - we should reflect on best practices and innovative ways to open the space for new public and private actors who can be regarded as reliable stakeholders.

This requires positive action by politicians, business leaders, and leaders in civil society. They must become agents of change and cooperate with likeminded across the boundaries of sectors and countries.

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## **The Global Table Process**

This logic has prompted us to dedicate the 2nd cycle of the BMW Foundation Global Table to the issue of governance.

Sustainable Development Goal 16 addresses the dialectic relationship between strong institutions, justice and peace. Analyzing conflicts within and between countries makes us understand the central importance of good governance, central also to the realization of the UN Agenda 2030 as a whole.

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Our Global Table journey has taken us from The Hague to Tunis, from Sarajevo to Bogotá and Athens.

With our exciting, very diverse group of participants -  
decision makers from all sectors of society and from all world regions, 70  
of which I am proud to welcome here with us in Berlin today -  
with this extremely motivated group of leaders we undertook to leave our  
respective professional silos, to start thinking out-of-the-box, to listen to  
new perspectives and to look for innovative and creative answers to the  
very complex problems facing us.

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Some of our learnings are of course not entirely new, but in rare cases they have prompted those responsible to draw the right conclusions or to take effective action.

In **fragile societies** mechanisms for the erosion of trust are often similar:

> A lack of transparency and accountability of ruling elites is causing frustration and anger among ordinary people who feel victimized by corruption and injustice; even after the peaceful upheaval by the people in Tunisia the old economic elites returned up unscarred like phoenix from the ashes, because nobody wanted to threaten the economic recovery.

Columbia is facing similar challenges after the peace accord between

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FARC and the government.

**Transitional Justice** is a key challenge which needs to be tackled in a very different way than it has been so far.

The role of business in transitional justice needs to be reconsidered and developed as a positive and stabilizing factor. This is equally true for the role of culture in overcoming fragmentation.

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A group of our GT participants has volunteered to initiate a study looking into the effects of lacking transitional justice facing economic crimes. The preliminary study will be presented in one of our break-outs today.

> Another reason is the **lack of job opportunity** for young people: there is an enormous danger in many failing societies of losing an entire generation of frustrated youth without much perspective to either migration or terrorism.

I was shocked to learn that there are more young men recruited by ISIS from Tunisia than from any of its neighboring societies. One of the main reasons: lack of jobs.

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Some of our GT participants have discussed the use of technology and digitization to build new access for qualified jobs in the Maghreb region. One result has been the support for a new start-up Think.iT. They decided to build a digital freelance platform for IT talents from the region to tackle this trend. Our BMW Responsible Leaders Network has been active in supporting this project which will also be presented today.

> And a third point: **The loss of inclusive societies.** One of the severe consequences of polarization is that societies are losing the capability to allow for a constructive and fair dialogue between majority and minorities.

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There is an increasing gap between decision makers and those who feel neglected. Divided factions are turning their back on uncomfortable realities and lose themselves in impermeable filter bubbles.

How to burst these filter bubbles, how to reach the disconnected?

This was the starting point of another group of GT participants who initiated a speak-up project establishing constructive dialogue. They developed a simple format of video-taped questions inspiring young and often rather disconnected people to voice their opinion.

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The model could easily be adapted to different cultural backgrounds and upscaled with the help of technology to engage larger numbers of not-so-usual suspects in public discourse.

Again a short presentation will be the trigger for discussion in one of our break-outs.

In **post-conflict situations** internal and external factors add up:

> In the Balkans, we observe a paralyzing standstill: no progress on reforms, unsolved problems of the past, corrupt elites, lack of rule of law and independent judiciary, all factors responsible for a bad investment climate.

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EU funds are often misused and not invested in innovation and entrepreneurship.

The EU enlargement process is dealing with this **implementation gap**, but promises are not kept, funds which are provided are not reaching the desired objectives.

Innovative approaches are necessary to strengthen civil society as drivers of change as well as regional cooperation in South Eastern Europe to build a sustainable market.

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Our GT in Sarajevo tackled these issues and produced, inter alia, recommendations to the EU Commission for the improvement of transparency standards.

One group started developing ideas for a legal toolbox and an online investment platform of all six Western Balkans Chambers of Commerce with the objective to fight corruption and to push for transparency and economic growth through open data.

You will be able to discuss these ideas later in one of the break-out sessions.

> Last but not least, we detected one flaw which has characterized many of our efforts to help rebuilding societies after conflict.

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International efforts are mostly inter-governmental processes, with a natural concentration on the political representatives, which very often were part of the old elites, not to say the old networks.

We need to explore and understand better the relevance of unconventional actors, in particular local actors and the business community. Business can have a key relevance in building a sustainable and stable new fabric of society, potentially in close cooperation with cultural actors. While the economy is the motor of society, culture is its soul.

New coalitions need to be forged.

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## **Shared responsibility**

We are extremely honored and proud that the President of the Federal Republic of Germany, Frank Walter Steinmeier, has accepted the patronage over the Berlin Global Forum.

By doing so he has endorsed the importance of the issue of restoring public trust in our societies. I am happy to welcome my former colleague and friend Thomas Bagger to this Forum who will address us on his behalf.

I would like to invite all of you to become an active part of the journey which our five Global Tables have initiated.

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Please, actively engage in the various break-out sessions as incubators of ideas. Inspire each other to make use of the enormous opportunity to meet so many stakeholders from so many parts of the world. Stakeholders some of which you would rarely meet elsewhere.

We would be happy to see some of you approaching our team after our Forum inquiring how you can stay involved and become an active part of this process.

The BMW Foundation believes in the principle of shared responsibility. We have therefore made **Responsible Leadership** our mission.

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We are convinced that every leader can use her or his professional or private network to contribute to change. Only if all leaders from all venues of our societies - from politics, business, culture, science, civil society - contribute will we be able to implement the Agenda 2030 and its SDGs, and thus build a more peaceful, more sustainable and more just world.

Thank you