

Arts, politics, business – all of life requires curiosity. If the artist cannot create, cannot ignite our curiosity, then no magic moment is possible. If we are not curious enough to learn, to interact with others, then all else is futile. I believe the following was one of the most important sentences expressed during our time here together: "Europe is not curious enough; Europe is too self-focused". We have to be open-minded. It's the only way to show the world we are interested in it. And only if we show interest, if we act together with the rest of the world, can we claim global responsibility. In a way, this idea resembles what Europe's identity sounds like, if you listen to its anthem. You might know that the European Union decided to use the last movement of Beethoven's Ninth Symphony, the "Ode to Joy", which is based on a poem by Schiller, as its anthem. We all know it, of course, but are we aware of what we're singing? It's not really a European anthem. It's actually dedicated to the world! If you read the text, it ends with "Alle Menschen werden Brüder", all mankind should become brothers and sisters. Schiller writes, "Seid umschlungen Millionen, diesen Kuss der ganzen Welt", which means: all the millions be embraced; this kiss is dedicated to the entire world. I think this opening to and embracing of the whole world as part of the European identity is more than merely interesting. It's the most pressing point. If we can agree that it's our global responsibility as Europeans to open to the world, then that, I would say, is a highly fitting way to conclude this Trilogue.

Dr. Wolfgang Schüssel

TRILIQUE SALZBURG 2005

Salzburg, August 11-13, 2005



GLOBAL RESPONSIBILITY – WHAT'S EUROPE'S MESSAGE?



BUNDESKANZLERAMT  ÖSTERREICH | BertelsmannStiftung



BUNDESKANZLERAMT  ÖSTERREICH | BertelsmannStiftung



Salzburg Trilogue

Surrounded by the stimulating atmosphere of the Salzburg Festival, the Salzburg Trilogue brings together renowned representatives from the arts, business and politics to engage in crosscutting and future-oriented discourse.

Addressing an annually changing topic, the Salzburg Trilogue strives to foster reflection and a lively debate of fundamental cultural issues, commonalities and values that are of social significance for Europe.

The project is a joint initiative of the Austrian Federal Chancellery and the Bertelsmann Stiftung.



BUNDESKANZLERAMT  ÖSTERREICH | BertelsmannStiftung

Contents

The idea of the Salzburg Trilogue is that three different circles meet. Artists normally speak with each other, politicians have their own specialized language and issues, while business leaders are well trained in discussing economic challenges. Yet only in rare moments do these three circles come together. What we all share, however, is a common attitude: a curiosity, a willingness to discover new ideas and new aspects of a given issue. Thinking outside of the box and understanding different perspectives are the Trilogue's underlying themes. All participants are here as private individuals, representing nobody but themselves, and are dedicated to engaging in a free exchange of views, ideas and visions.

Wolfgang Schüssel



Preface	4
Dr. Wolfgang Schüssel	
Preface	5
Liz Mohn	
The European Anthem	6
Ludwig van Beethoven, Symphony No. 9, in D Minor, op. 125	
Global Responsibility – What's Europe's Message?	9
Discussion Paper presented by the Bertelsmann Stiftung	
Impressions	37
Photos and excerpts from the roundtable discussion	
Program	66
Participants	68
Publications	70
Imprint	73

Preface

Dr. Wolfgang Schüssel

For the fourth time, outstanding personalities from the arts, business and politics followed my invitation to the “Salzburg Trilogue”, which again was hosted in co-operation with the Bertelsmann Stiftung. This year’s colloquium, intended by its very format to help bridge the communication gap between these three worlds and to learn from each other’s different views and approaches, was dedicated to the question of “Global responsibility” and whether Europe has a message in this regard.

Confronted with new challenges as well as new threats, responsibility is a pressing issue not only in politics but also in the business world. In my view, Europe has a lot to offer when defining responsible action: We have the most experience in overcoming problems of transition. We are the perfect example of how to overcome religious conflicts, minority conflicts, language conflicts or border conflicts. However, Europe still does not live up to its full potential and a lot of European homework is waiting to be done.

I owe special thanks to our distinguished guests who engaged in a vivid debate about Europe’s role in the world, about corporate responsibility in the business world and about the contribution the arts can make. Their thoughts and ideas were truly valuable, and the selected quotes in this brochure give some impression of important points made by the participants.

Last but not least, I want to thank Liz Mohn and her team at the Bertelsmann Stiftung for the perfect support in preparing and organizing this event. It is a great pleasure to work together and enjoy these harmonious and inspiring hours at the Salzburg Trilogue.

Federal Chancellor Dr. Wolfgang Schüssel
Federal Chancellor of Austria,
Vienna



Preface

Liz Mohn

Europe’s future is being increasingly determined by international developments and global challenges. Given the natural catastrophes and food shortages affecting numerous nations, current world-wide pandemics, the threat of terrorism and the economic interdependence linking all global regions, it is no longer possible for individual players to act on their own. On the contrary, all of the globe’s players must now work together. The need for Europe to assume its global responsibilities and contribute to a sustainable world order is therefore greater than ever.

In response to these developments, the Bertelsmann Stiftung and Austria’s Federal Chancellor Wolfgang Schüssel invited distinguished European business, political and cultural leaders to participate in the fifth annual Salzburg Trilogue. Inspired by the city’s enlivening festival atmosphere, the Trilogue participants engaged in interdisciplinary, cross-cutting dialogue in order to address questions directly impacting Europe’s future: What is Europe’s message to

the world? Are Europeans willing and able to take on global responsibility? What importance will Europe’s values have in tomorrow’s world order? Can Europe’s pioneering efforts toward achieving solidarity, integration and peace serve as a model for the entire world?

Bringing together diverse viewpoints from business, politics and the arts, the Salzburg Trilogue again facilitated an innovative and forward-looking debate. One of the core sentiments expressed was that Europe can only live up to its global responsibilities by overcoming its “Euro-centrism” and responding to the globe’s current power shifts and challenges with curiosity, genuine interest and decisive action. The Salzburg Trilogue was a first step in this direction, and further Bertelsmann Stiftung activities are to follow. These include, above all, the International Cultural Dialogues that I have initiated and through which the Bertelsmann Stiftung hopes Europe will realize a deeper understanding of the sociopolitical developments taking place in non-European cultures, especially in Asia. Finally, I would again like to thank all of the participants for their dedicated involvement and, especially, Chancellor Dr. Wolfgang Schüssel and his staff for their outstanding partnership.

Liz Mohn

Chair of the Bertelsmann Verwaltungsgesellschaft,
Member of the Supervisory Board of Bertelsmann AG,
Vice-Chair of the Executive Board and Member of the
Board of Trustees of the Bertelsmann Stiftung, Gütersloh



In 1972 the Council of Europe designated the "Ode to Joy" from Beethoven's Ninth Symphony as its official anthem. In 1985 it was also adopted by the European Union. In the final movement, Beethoven uses lines from Schiller's lyric poem of the same name to celebrate the global, unifying power of brotherhood and joy.



Ludwig van Beethoven (1770 - 1827), Symphony No. 9, "Ode to Joy", op. 125. Beginning of the final "Freude schöner Götterfunken"; original autograph, 1822-24. Archive photo taken by Carola Seifert from the music department of the Berlin State Library – Prussian Cultural Heritage/Beethoven Artaria 204 (3a), S.77. Ludwig van Beethoven, Symphony No. 9 in D Minor, op. 125.

Global Responsibility – What’s Europe’s Message?

Discussion paper
presented by the Bertelsmann Stiftung



This high-oblique panoramic view, recorded by a digital still camera using a 400mm lens, shows the eye of Hurricane Emily on July 16, 2005. The image was captured by the crew of the International Space Station (ISS) while the complex was over the southern Gulf of Mexico looking eastwardly toward the rising moon. At the time, Emily was a strengthening Category 4 hurricane with winds of nearly 155 miles per hour and moving west-northwestwardly over the northwest Caribbean Sea about 135 miles southwest of Kingston, Jamaica.
Photo: NASA (c) dpa- Report

For Europe, taking global responsibility in what is increasingly “one world” is an essential obligation. Following the end of the Cold War, hopes for a new and peaceful world order remained unfulfilled. In the 21st century as well, security and peace are scarce political and social goods. The East-West conflict merely froze many disparate interests in place. Following its demise, however, not only did former lines of conflict become more pronounced, a number of other pressing issues rushed into the vacuum left by the Cold War’s forced geopolitical stability: the proliferation of weapons of mass destruction, religious extremism, global terrorism, ethnic and nationalist conflicts, population growth, economic dislocation, ecological catastrophe, starvation, poverty and widespread migration. In many parts of the world, resistance is growing to the dominance of western values and Occidental-Christian civilization. This is also the breeding ground for a radical fundamentalism that not only threatens the global community from “failed states”, but also from within Europe and the western world. At the same time, the international interdependence of business and politics as well as global partnerships among differing cultures and religious traditions have meant that crises occurring in one region necessarily expand and directly influence the rest of the global community. Given its critical dependence on economic exports and external resources, Europe is particularly vulnerable to dislocation and disruption.

In this ever-smaller and increasingly challenging “one world”, Europe is faced with a sole viable prospect: it must recognize its potential for shaping global political realities, must consolidate its public-sector and non-public-sector resources and must assert itself politically, economically and culturally for peaceful, just and sustainable global change. For this to happen, Europe’s nations and the EU itself must deliver a cohesive message to the world, one that expresses their foreign- and security-policy ideals, accounts for their economic and social interests, engenders trust and promotes mutual respect. The core elements of European responsibility in the world of tomorrow are:

Global challenges

Europe’s global responsibility in politics, business and culture

- **European peace policy:** Integration at home, partnership abroad
- **Business with adjectives:** Promoting an economic model that is cooperative and sustainable
- **Preventative diplomacy:** Strengthening capabilities for dialogue with other cultures

European peace policy: Integration at home, partnership abroad

Europe's
global impact

The world can be seen as a European invention. To a large extent, it was geographically, technically, scientifically, philosophically and culturally explored from a European perspective. Its building blocks - nation-states - are western creations, as is the basic framework of the globe's international order itself. European values continue to impact the rest of the world - even if there is still far to go before democracy, the rule of law and human rights are implemented everywhere. Led by the US, the West dominates the world economically and militarily. Together, the US and Europe produce 50 percent of the globe's gross domestic product. Both account for over a third of world exports. The western industrial nations are the key drivers of globalization, which can be seen as the result of Europeanization and Americanization. In 2002, the US alone spent more for defense than did the 18 next largest countries, including the EU member states.

New challenges
and security risks

The West's dominance, however, is not without its fault lines. These transect the Atlantic, separating the US from Europe. In addition, new powers are entering the world stage. Given their sheer potential, China and India have already become formidable players in global politics. Resistance is arising, moreover, in yet another area. With the end of the East-West conflict, pent-up tensions in nations in the former "Third World" have been violently released, as well as in those nations situated closer to Europe. Today, more than 40 countries around the globe are torn by violent conflicts. This increase in civil strife can be ascribed, above all, to the fact that many of the states that originated as European colonies have not succeeded in developing for their mostly multi-ethnic populations the conditions and processes that guarantee a peaceful resolution of opposing interests and that make it possible for the nation as a whole to utilize its diversity for fostering social and economic development. The West itself bears partial responsibility for this, having often supported authoritarian regimes during the Cold War rather than promoting freedom or societal moderni-



A woman covers her face with a cloth to protect herself from the stench of decomposing bodies in the town of Dellewatha near the city of Galle, Sri Lanka, 2 January 2005. Hundreds of thousands of people living in the coastal areas of Sri Lanka lost their homes and innumerable people were killed by a devastating tsunami caused by the seaquake on 26 December 2004. Photo: (c) dpa - International

zation. At the same time, the gulf between rich and poor has widened. Despite decades-long, wide-scale development aid, the uneven playing field between industrial and transformation states has not been leveled. A conflict-inducing spiral consisting of population growth, flight from village and agricultural life, urbanization and unsuccessful industrialization is leading instead to growing radicalization – above all among the young, who are unable to discern a viable future for themselves. In many southern nations, they make up the majority of the population. The frustration of belonging to the losers of western-dominated modernization manifests in – as a prime example – Islamic fundamentalism, which espouses the conscious rejection of the West, along with its norms and systems. The international terrorism that then results could well evolve into the security issue of the new century, one that could ultimately determine the globe's basic structures. These failures have an impact on the West in two ways. Weak and disintegrating states in close proximity to the European Union as well as those in transformation regions now threaten the EU's security. In a globalized world, terrorism, the spread of weapons of mass destruction, organized crime, human trafficking, epidemics and migration all know no borders. But that is not all. In this networked "one world", which can be scrutinized by the modern media down to its last inch, Europe's democracies cannot remain indifferent to the suffering of millions, since to do so would fundamentally place in question the integrity of their own values. In this position, Europe requires a more active foreign policy in order to preserve its interests and values. In establishing one, it can avail itself not only of its economic power and long-standing global relations. The European Union is, above all, a model for how nation states can overcome centuries of self-destructive wars and transform their differences into a community founded on the rule of law and peaceful cooperation.

Europe today stands for unity in diversity. Based on the treaties of the 1950s that provided a foundation for a European community, western Europe has pursued an ongoing economic and political "disentanglement" of the territorial borders of its member states. At the start of the 1990s, western Europeans turned in cooperation to their neighbors to the east with the goal of reuniting a divided continent. The result was the accession to the European Union on May 1, 2004, of 10 new members. With this event, which can be seen as a simultaneous opening to the outside world and an infusion of the new, Europe's states committed themselves to an ever-closer legal union. By creating common supranational institutions, among others, the EU has mechanisms at its disposal for adjudication and adjustment that are wholly comparable to those of a democratic nation-state. The legal framework that today binds its member states – the

Integration
as a measure of
success



A scene of total devastation presents itself to the beholder after the flood disaster on 26 December 2004 in the fishing village Ban Nam Khem, Thailand, 9 January 2005. Ships were catapulted by the tsunami several kilometres into the heartland, the majority of houses was completely destroyed.
Photo: (c) dpa - International



Paramedics and doctors of the German army line up in front of an army Airbus headed for the Indonesian island of Sumatra from the airport in Cologne, Germany, 5 January 2005. The German army plans to set up a mobile rescue centre in the Indonesian Banda Aceh province for victims of the devastating tsunami that hit southern Asia on 26 December 2004. Photo: (c) dpa - International

“acquis communautaire” – alone comprises over 80,000 pages. The body that enforces maintenance of this legal code is the European Court of Justice. Yet other European organizations, such as the European Council or the OSCE, have also contributed to the increase in this rule of law and, through their own legal structures, ensure that Europe’s citizens can now take individual action to guarantee that their human and minority rights are not infringed upon. This does not make the EU a “super-state”, however. Governance in the EU is still organized based on a division of power and is implemented by its individual nation-states. Yet through the convergence of political objectives, which are contractually set, this governance is becoming increasingly reciprocal and transnational. In addition, numerous networks at the sub-state level have formed that are supporting and intensifying cooperation among regions and interest groups throughout Europe. To a large extent, the EU with its 25 members can today boast of standing for both prosperity and peace. A common economic sphere is shared by 455 million inhabitants, in which borders no longer obstruct the flow of people, products, capital or services. The EU has held out to the Balkan states the prospect of accession and is actively supporting the transformation of these countries to democratic market economies. The appeal of the EU has proven so powerful that it now extends to Turkey, Ukraine, Moldavia and even to the Caucasus, not to mention the southern coast of the Mediterranean.

Europe’s most recent history might well herald a new message for the world: not power, but the unrestricted rule of law and voluntary transfer of sovereignty within a community of states will be the hallmark of the future. Much seems to suggest that the form of transnational governance developed in Europe could help to identify common solutions for the globalized world’s cross-border problems.

Europe’s ability to demonstrate unity in diversity resonates beyond its own borders. Integration as practiced in Europe has now become a model for other parts of the globe. Mercosur in South America and ASEAN in Southeast Asia are attempting to use increased economic cooperation to benefit from mutual, global competitive advantages while building trust among their members. The African Union was founded analogously to the European Union. Its member states have committed themselves to resolving conflicts jointly and constructively and to honoring human rights. Are we now beholding a new and – this time – peaceful Europeanization of the world, one that evinces respect for other cultures and is characterized by the European model of integration and transnational governance? Whether or not Europe’s achievements – the “European way of life”, which compri-

Transnational
governance

The EU as model



Supporters of the "NO to EU constitution" movement demonstrate after hearing that more than 55 percent of the French voters voted no for the European Union constitution in Paris, 29 May 2005. French voters gave a resounding thumbs down Sun. Photo: EPA/Olivier Hoslet (c) dpa - Report

ses inclusiveness, respect for differences, quality of life, social equality, sustainability, human rights and even a right accorded to the environment itself - will be the wave of the future remains to be seen. It seems less likely rather than more. Until now, Europeans have been hesitant and fractious in assuming their global responsibilities, something that was readily apparent in the Balkan conflicts. It became apparent yet again in disagreements over the war in Iraq, which threatened to split Europe in half along yet a new border.

Even more disturbing: the European model is losing acceptance among Europe's citizens themselves. The "no" that the French and Dutch accorded the European constitution represents a passing low point in a gradual process of alienation that increasingly blames "Brussels" for the change and pressures to which our societies are being subjected as part of ongoing globalization. Yet how can Europe serve as a role model when it doesn't even trust itself? More than ever, European answers are needed. Without them, the challenges resulting from international terrorism, cross-border crime and the pressures international financial markets are exerting on national economies cannot be met.

It must therefore be taken as an encouraging sign that, despite this general mood, Europeans were able to unite behind a common security strategy for the first time in 2003. Effective multilateralism and preventative engagement are its core elements and, at the same time, are manifestations of European responsibility and the vision of a secure Europe in a better world. A strategy, however, requires both capabilities and tools in order to be effective. This is where Europeans face a key challenge. Despite all of the projects and initiatives begun in past years in the official areas of Common Foreign and Security Policy as well as European Security and Defense Policy, Europeans must intensify their efforts across the board.

In particular, Europe must make the financial resources available to accelerate the expansion of its military forces for crisis intervention. The ability to project power is an instrument of foreign policy, lending it the requisite credibility while facilitating its implementation. Europeans must accept this truth. Yet military means alone do not suffice for ending conflicts and for creating a secure environment for reconstruction. That is why the EU also needs specially trained legal specialists, police officers, administrators and engineers, in order to foster self-actualizing economic, societal and democratic structures following conflict intervention. Europe's own civil-social traditions should obligate it to include the conflict area's local population in its efforts on a wide scale.

Growing Euro-Skepticism

The European security strategy

Expansion of military and civilian resources for crisis intervention

Strengthening the United Nations

Above all, Europe needs the political will to deploy military means in the case of a crisis. To that end, an even closer relationship for cooperation and agreement is needed with the United Nations. A UN mandate remains the most compelling legitimization for intervening in other states. The European Union should therefore do all that it can to ensure that the proposal by Secretary-General Kofi Annan for reforming the UN is successful. In addition to a UN Security Council that reflects today's configuration of global power, this would also necessitate the creation of a separate Council for Human Rights that could support this fundamental issue professionally and credibly.

A matrix of strategic partnerships

For these reasons, Europe needs more than just international or regional organizations as partners. It must implement its foreign policy globally for creating a matrix of strategic partnerships. Partnership with the United States must remain a central aspect. Europeans must again convince the United States – as a founding member of the United Nations – that over the long term the rule of law achieves more than a simple exertion of power. It also ensures that the ideals of freedom, security, human rights and development are given a chance to flourish across the globe. First and foremost, however, the EU must demonstrate that it is both willing and able to assume responsibility for such a vision.

Business with adjectives: Promoting an economic model that is cooperative and sustainable

Liberal and social economic models in global competition

Globalization has brought Europe face to face with the key challenge of competing against the United States and Asia as a location for business investment and has at the same time sharpened the focus on how to best structure the social order in terms of market economics. In essence, the ideals of the liberal and social market economy are competing against each other. The liberal market economy in its Anglo-American form derives from notions of individual freedom and responsibility. Inequality is seen as promoting growth. In contrast, the social market economy of continental Europe offsets a granting of freedoms with a leveling of social disparities. The political frameworks governing economic activity in the two systems and the organizational principles of businesses operating in the market differ accordingly. In the social market economy, the state thus takes on a more active role by setting the ground rules for economic activity. The economy is viewed as part of society while, in the liberal scheme of things, the market dominates society.



Former South African President Nelson Mandela waves after he and Sir Bob Geldof addressed a crowd in London's Trafalger Square, Thursday February 3, 2005, in support of the campaign to 'Make Poverty History'. Mandela told the crowds at the rally, aimed at encouraging the public to put pressure for real action on trade, debt and Aids, that achieving "trade justice" would be key to success.
Photo: EPA/Stefan Rousseau (c) dpa - Report

Business leadership:
stakeholder
vs. share-holder
orientation

Whether the
European model
of doing business
remains viable is still
an open question

Social responsibility
derives from
a clear economic
self-interest

The values associated with the social market economy – social equalization, participation and consensus – are also key behavioral parameters for European businesses, in addition to their competitive focus. It is not by chance that the European economic model is described as “stakeholder capitalism” – in contrast to the “shareholder capitalism” of the liberal economic model which remains “without adjectives”. In addition to those of the shareholders, European companies as a rule must consider the interests of employees, customers, suppliers and society at large and must therefore orient themselves to the long term results. In contrast, organizations that focus solely on shareholder value are oriented to short-term results, which serve less to ensure developments of substance than a maximization of dividends for stockholders.

In the age of globalization, history seems to have already rendered judgment in favor of the liberal market economy. Its economic “superiority” strikes many as given. Is a “fundamentalist market economy” – to exaggerate somewhat – now the standard measure for shaping a global world order, in which no legitimized institution for norm-setting exists and national governments are no longer able to influence all the economic and social processes taking place within their borders? Will the European economic model be able to hold its own in the system of global competition? Will globally active corporations based in Europe also fulfill their social obligations on a global level? Or, faced with globalization, is their responsibility reduced to making a profit, as laid out in Milton Friedmann’s well-known thesis from 1970?

But one shouldn’t cast doubt on the future viability of the European economic model so easily, since such a point of view fails to recognize that the background conditions for entrepreneurial action have also changed under the influence of globalization. The costs of excluding those who live in the globe’s poorer countries are constantly rising and have manifested in many forms: environmental destruction, migration, disease, war, drug-related crime, terrorism. Poverty and underdevelopment in the globalized world have a direct impact on entrepreneurial action. And instable or constantly changing political realities are some of the major risk factors threatening economic prosperity. One additional aspect: the same technologies that have driven globalization now enable greater transparency. Actual or perceived missteps on the part of business are immediately made public and punished by lobbying groups or consumers. Examples such as Shell and Nike show that enormous corporate value can be annihilated when companies behave in a socially irresponsible manner. Even capital markets no longer judge corporate success solely according to traditional economic



Veterinary experts collect chickens to cull in an effort to fight an outbreak of avian flu in Kiziksa village near Manyas in northwestern Turkey, Monday 10 October 2005. Turkey and Romania culled thousands of birds and imposed quarantine zones to try. Photo: EPA/Emre Umurbilir (c) dpa - Report



EU Trade Commissioner Peter Mandelson (L) exchanges documents with China's Commerce Minister Bo Xilai as leaders applaud behind them during the China-EU signing ceremony at the Great Hall of the People in Beijing, 05 September 2005. The European Union and China reached agreement in their dispute over the influx of Chinese textiles to Europe, E.U. Commission president Jose Manuel Barroso said. The agreement came as leaders from the two sides met for summit talks in the Chinese capital. Photo: EPA/Claro Cortes/Pool (c) dpa - Report

criteria. Corporate governance is just as important as the long-term risks that companies must address in the areas of social or environmental impact.

Public discomfort with global capitalism is also growing. Worldwide economic downturns along with corporate merges and acquisitions with their attendant “downsizing” of employees have led to higher rates of unemployment in industrialized countries. Numerous corporate scandals have fundamentally undermined trust in the business world’s behavior, not only on the part of investors, but the general public as well. A survey carried out for the World Economic Forum in Davos in 2003 makes this clear: 48 percent of those queried around the globe said they have little or no trust in global or major national corporations. Clearly - contrary to what had been predicted - the unleashing of market forces has not led to increased prosperity for all. Instead, the social gap is now wider than ever.

Given all of this, it seems not reasonable from a European perspective to strive for economic efficiency without consideration of societal costs or to place the needs of business above those of society. A market economy is a necessary but by no means sufficient condition for a free, prosperous and just social order. According to the European economic model, a market economy can only be considered a true achievement if it unites individual freedom with economic, social and ecological efficiency. This derives from the fundamental principle that a society and its businesses can only develop peacefully and successfully in the long run if society’s citizens are secure in their social welfare, if the general population enjoys material prosperity and if natural resources are utilized in a sustainable manner. In a networked and interdependent world, this necessarily leads to the responsibility for internalizing social and ecological costs on a global scale. This has a number of implications:

The EU must formulate a foreign economic policy that truly gives developing nations a chance. Debt forgiveness is only one - and not the optimal - tool. A more effective response would be if the EU opened its markets and reduced subsidies for European agricultural producers.

Many European companies long ago took up the challenges of corporate responsibility (CR). The discussion about CR has now become widespread. In essence, businesses have been forced to recognize that it serves their own interests to address both implicit and explicit social needs and to integrate social and environmental concerns into their corporate strategies. Assuming social responsibility thus becomes a call to reason: entrepre-

The European model's legitimization advantage

Europe's economic and political message and the entrepreneur's responsibility to society

Trading with developing economies



An evacuated citizen from Florida Keys takes a nap at a Red Cross shelter in Miami, Florida Saturday, 22 October 2005, after being evacuated as Hurricane Wilma continued its progress over the southeastern Mexican states of Quintana Roo and Yucatan. A hurricane watch is in effect for the entire Florida Keys and South Florida. Photo: EPA/John Riley Efe (c) dpa - Report

neurial action is dependent on its acceptance by the social environment, i.e. on the regulations and values that each society considers binding. Yet the normative basis underlying a business organization's values is equally relevant. Every company sets its own norms by defining the goal of its activity: how and by which means is it to create value? The discussion of which norms apply to business and what contribution companies should make to addressing globalization's failures are likely to intensify. Globally, corporate strategies will have to come to terms with a changing canon of values. This is where Europe can play a leading role. In addition to a focus on maintaining a competitive edge, those values evinced by the social market economy - social equalization, participation and consensus - are also critical parameters determining how European companies do business. European businesses are, in this regard, excellently prepared for adapting to the new canon of values and for using it to realize a competitive advantage - through an upgraded brand image, for example, more favorable risk evaluations on the part of capital markets or the recruiting of higher-performing employees.

Companies' individual efforts can have immensely positive effects, as numerous examples demonstrate. In carrying out their efforts, business organizations receive support from initiatives such as the Global Compact, which was launched in June 2000 by UN Secretary-General Kofi Annan. The Global Compact offers a platform for global business to participate in shaping globalization so that it is both sustainable and humane. The compact is based on principles derived from UN declarations that address topics such as human rights, employment conditions and justice, as well as environmental protection and the fight against corruption. Companies, in turn, are expected to integrate these principles into their corporate policies and their core business. What's more, they are invited to become involved in the joint effort for realizing the UN's Millennium Development Goals. These include halving extreme poverty and hunger by the year 2015, achieving universal primary education, developing environmental standards and ensuring access to clean drinking water. Worldwide, over 2,000 companies have already committed themselves to meeting the Global Compact's mandate. These organizations are located mostly in Europe and Asia - those areas that favor a more cooperative economic model.

In light of the increasing challenges of globalization, the question of the business world's normative basis is more pressing than ever. This is an area where Europe could take on the leading role. In its basic orientation towards economic, social and ecological goals, the European value system already largely matches the world's current, more demanding require-

Corporate social responsibility and corporate governance

Global Compact

Europe's economy as a model for optimal future opportunities

ments. The challenge will lie in bringing companies' needs to act as market players in line with the tried-and-true principle of acting in an economic and socially sustainable way. In order to create this new economic order, all actors from politics, business and civil society must work constructively together. Ultimately, the competitiveness of both Europe's economies and its business organizations depends on it.

Preventative diplomacy: Strengthening capabilities for dialogue with other cultures

At the dawn of the 21st century, Europe's ability to make a cultural impact is also in question. If the European nations and the EU want to take their rightful place and shape the world of tomorrow, a world that must not degenerate into the self-fulfilling prophecy of a "clash of civilizations", then they must increase preventative efforts for establishing trust and mutual respect. Without a proactive dialogue among cultures, security policy cannot succeed. Not coincidentally, the European Commission has declared 2008 to be the "Year of Intercultural Dialogue". Intercultural dialogue promotes the discovery and establishment of trust in a global world and supports recognition and understanding for Europe as a cultural project. Intercultural dialogue with third-party countries will, in turn, benefit Europe by providing creative potential and by strengthening an understanding and experience of diversity. The precondition for this, however, is that Europe makes an active attempt at identifying the cultural essence underlying the community of European states and implements in its inner-European dialogue the core set of values that it holds as binding among its members and that it wishes to offer to the world at large.

Understanding Europe as a cultural project means reflecting on the values, forms of expression, traditions and lifestyles in which European thinking and behavior have manifested themselves. These include the liberal-democratic social order and human rights. They make up a major portion of the European soul and European self-identity. It is therefore all the more important that the European Charter of Basic Rights announced in Nice in 2000 by the European Council come into power as quickly as possible. The Convention has scheduled it as Part II in the overall plan of adopting a European Constitution; yet only once the European member states have ratified the Constitution will the protection of basic rights for Europe's citizens finally become binding and transparent.

Europe's
contribution
to a dialogue
among cultures

An inherent
European culture?



The injured hands of an African immigrant raised above the fence of the CETI (Temporary Home for Immigrants) in the Spanish North African enclave of Melilla, on Wednesday 19 October 2005. Spain has increased pressure on Morocco to stem the tide of illegals after thousands attempted to storm Ceuta and Melilla in recent months, bringing Spanish reception structures to the verge of collapse.
Photo: EPA/Alberto Estevez (c) dpa - Report

Europe's diversity

Beyond that, what belongs to the common European cultural heritage remains difficult to assess: upon close examination it becomes clear that the attempt at an all-inclusive codifying of European values does not yield telling results. The search for a cultural identity for Europe, one that normatively differentiates the Continent from the rest of the world, must necessarily lead to an exaggeration of the differences vis-à-vis the rest of the world and to deceptive fictions of homogeneity. In this vein, the accession of an additional 70 million members as part of the EU expansion in 2004, people whose basic living conditions have largely been determined by a communist past, undeniably highlights the cultural diversity and differences in an enlarged Europe that stretches from the Atlantic to the Bering Straits to the Black Sea and Mediterranean.

Euro-Islam

The commencement of accession talks with Turkey and Europe's willingness to deal with Islam have proven in the recent past to be a particularly intense litmus test of its ability to integrate. Following the French national assembly's passing a law by a sizeable majority in February 2004 to forbid the wearing of Islamic headscarves or other religious symbols in France's public schools, after the terrorist attacks in Madrid and London which shifted the "war against terror" to European soil, and in light of the murder of the Dutch filmmaker Theo van Gogh for apparently Islamicist reasons by a fanatic of Moroccan heritage in November 2004, the weaknesses and limits of European integration policy had become evident. Talk of cultural wars, parallel societies and Euro-Islam is a symptom of the crisis in relations between the traditional values of the Christian West and the self-image of its current Muslim population of 15 million. Non-Muslims perceive Euro-Islam, above all, as Muslims and Turkey being successfully integrated once they have accepted democracy, human rights, the equality of men and women, and the separation of religion and state into their confession of faith, so to speak. Muslims, however, view this derisively as a call to assimilation and as pure "immigration Islam". They prefer a pragmatic "adjustment to the European way of life, without having to give up the basic tenets of Islam", as the chairman of the Central Council of Muslims in Germany, Nadeem Elyas, recently formulated it anew as part of a depiction of "Muslim lifestyle in Europe". The question of how the relationship between Europe and Turkey as a country that is both democratic and a proponent of modern-day Islam can develop is being considered throughout the EU and abroad. Will Europe become the cradle of Islam's rejuvenation? Can Europe keep its balance in regard to cultural diversity should Turkey join the community, despite the drastic increase in the number of Islamic residents? Will Europe's handling of the issue of Islam become exemplary on a global level? Given such factors, the question "What is Europe?" cannot be answered



A Turkish visitor looks at a work by artist Burak Delier depicting a woman wearing a chador made from an European Union flag at an exhibition as part of the Istanbul Biennial in Istanbul, Turkey, on Thursday, 06 October 2005. The European Union has begun membership negotiations with Turkey.
Photo: EPA/Tolga Bozoglu (c) dpa - Report



Hurricane Wilma hits south Florida October 24, 2005 with category 3 winds, causing widespread damage, power outages, and flooding. Photo: Susan Knowles/Landov (c) dpa - Report

definitively. Europe and its cultural identity live and have lived from a constant confrontation with the new, the different and the foreign, and the drawing of its boundaries both within and without must be renegotiated again and again. Even those distant eras when Europe was the scene of confrontation between ancient Greek and Roman culture or the setting for the power struggle between church and state illustrate the region's central characteristic: competing ideas enter into dialogue with each other in a manner that is more intense and free-wheeling than elsewhere, and by doing so they transform and renew themselves through intellectual debate. This "dialogue within diversity, which ultimately effects change", is where "the genius of Europe" lies (Edgar Morin, *Europa denken*. Frankfurt am Main, 1988). Of particular importance in terms of creating its identity is the manner in which Europe is dealing politically and socially with its diversity of cultures - located at the national, regional and individual levels - and with religions and embedded sub-identities, how it creates unity within this diversity and how it transforms differences into a fruitful co-existence.

The balance the European Union has struck between political integration on the one hand and attention to the cultural diversity of dozens of diverse nationalities and languages on the other has a number of roots: it is based on the European notion of religious freedom as a basic communal right and on the principle of subsidiarity in cultural-political affairs. Article 151 of the EU Treaty serves as the legal basis for its cultural engagement. Out of fear that Europe's cultural diversity might be lost due to standardization, the Union restricts itself to promoting cooperative ventures among its member states and supporting and supplementing existing cultural activities only when this cannot be carried out by the cultural promotion mechanisms in the nations themselves (principle of subsidiarity). Any and every attempt at harmonizing the legal and regulatory codes of the member states is prohibited by the provisions of Article 151. This cultural policy inherently implies an endorsement of a multipolar worldview, the intrinsic value of cultural diversity and a dialogue among cultures. In a time of radical geopolitical change, Europe's endorsement of a multipolar worldview and a dialogue among cultures is becoming increasingly compelling. And Europe can hardly deny those values abroad that it has recognized as binding at home. Yet the question arises of which possibilities Europe has at its disposal for developing an ongoing cultural dialogue with third-party states.

Suggestions for intensifying an effective European foreign cultural policy are often hindered by the subsidiarity principle's narrow purview. Yet

Europe as a cultural work-in progress

The basics of European cultural policy at home and abroad



A Pakistani Air Force personnel stands guard as an Antonov-225 cargo plane arrives at Chaklala Airbase in Rawalpindi, Sunday 30 October 2005, to deliver Dutch relief goods including 500 arch tents (each for 8-10 people), 500 heaters, 500 mattresses, 5.000 blankets and 120 stretchers for the International Organisation for Migration (IOM). Pakistani and International rescue and relief workers are engaged in relief and rescue operation in the affected mountain regions where a massive earthquake killed more than 55.000 people, injured more than 78.000 and displaced hundreds and thousands who are living without shelter in freezing temperatures.
Photo: EPA/Olivier Matthys (c) dpa - Report

fears that the development of a European foreign cultural policy will lead to infringement of the cultural sovereignty of member states are ultimately unfounded, since the EU has a series of instruments at its disposal for supporting and promoting its members. Yet these instruments must be optimized in order to ensure that Europe can live up to its global responsibilities for cultural dialogue:

Basic programs of the Directorate-General for Education and Culture must be more closely coordinated with the cultural activities of the European Council and other international organizations, such as the OSCE or Unesco, as part of an integrated EU foreign cultural policy.

In its foreign policy, the EU must also increasingly promote the potential offered by artistic endeavors and civil society for contributing to social cohesiveness. Art brings people together, inspires communication resulting in unique viewpoints and visionary ideas, and promotes critical reflection, communal experiences and intercultural expertise. There are many artists and cultural organizations whose work has had a positive impact on the process of trust building, such as the West-Eastern Divan Orchestra, which was founded in Weimar and which brings together Israeli and Arab musicians, or the Life Aid / Life 8 concerts initiated by Bob Geldof aimed at showing solidarity for those in need in Africa. With their universal language, artists in particular are in a position to transcend borders and conflicts and generate interest, appreciation and empathy. The same can be said about the bridge-building potential of civil society. Whenever individuals and businesses become involved to address their common interests, trust ensues. As Robert Putnam has shown, this results in positive external effects for society at large.

In the EU, all member states indeed pursue a foreign cultural policy. Yet the current practice of cultural cooperation on the part of the member states via their state-supported and semi-state-supported institutions is contradictory. The EU must therefore develop incentives for increased coordination in this fragmented field, in order to initiate projects of significance for all of Europe. In dialogue with third-party states in particular, the bilateral focus should be replaced by multilateral initiatives. For this to happen, experiences must be increasingly shared and resources for multilateral projects must be assembled so that synergies can develop that can benefit Europe as a whole. Promising projects include plans for a Central and Eastern European cultural forum in Beijing and the planned international strategic partnership between the Goethe Institute and the British Council.

Building blocks for a preventative European cultural diplomacy

Coordination of all European cultural activities

Increased promotion of civil-social cooperation and intercultural artistic processes

Benefiting from the synergies of member states' foreign cultural policies

Will and can Europe carry out its global responsibilities?

In the global world, all actors must work together. The rapidly changing conditions of the 21st century increasingly demand that Europe supply its own answers. Europe can be viewed as a successful model for the productive communal life shared by diverse cultures and civilizations and based on the unrestricted rule of law, a voluntary transfer of sovereignty within a community of states, and a cooperative and sustainable economic system. Europe must now represent its principles and values to the world at large. Making European identity manifest through a dialogue of cultures both at home and abroad and thereby creating a cultural basis for effective political and economic action - that is what will determine Europe's message, responsibilities and, ultimately, its role in the world.



The Archbishop of Westminster Cardinal, Cormac Murphy O'Connor, passes by the four large candles that bear the names of the four 07 July 2005 suicide bomb sites during the Service of Remembrance held at St. Paul's Cathedral Tuesday, 01 November 2005. Four candles representing the four explosion sites were placed on the altar. Photo: EPA/Stephen Lock (c) dpa - Report

Impressions

Photos and excerpts from the roundtable discussion



The round table at Salzburg Residenz



Heribert Meffert introducing the topics under consideration



Heribert Meffert

Europe is often referred to as an economic giant and a political dwarf. The last few months have revealed a growing skepticism about the European Union. The French and Dutch rejections of the proposed European Constitution and differing views about the US war in Iraq have made both clear: the sharp political divisions within Europe and the political inability in foreign affairs. Yet global actors and challenges are increasingly influencing our societies. Individual European countries are too small to deal with the challenges of tomorrow; they are too small to tackle global problems on their own. Even Asian countries like China and India are emerging as major players in the global economy. Europe's economic and political weight is in decline. The global environment has changed and the only answer, in my opinion, is for us to defend our interests and values within the global community. We need to market Europe as an answer to globalization. Political, business and cultural leaders need to communicate that Europe today is all about exerting an influence in the world, since the world is directly affecting Europe. But how can we promote a European vision for the planet? How can we make our societies responsive to global challenges and strong enough to assume global responsibility?

Europe's Message – Power and Emotions



Wolfgang Schäuble believes in a Western as opposed to a European Message

Wolfgang Schäuble

Given that the last 500 to 1,000 years in history have been largely driven by European developments, Europe is more responsible than any other part of the globe for the world's situation in the 21st century. Since 20th-century policies for establishing a balance of power have failed, we must think about establishing a stable order in the 21st century worldwide, and not only in Europe. The crucial issue is the relation between what is called "hard power" and "soft power". Personally I think we need both. If we concentrate only on soft power, we would be making a tremendous mistake. Europeans used military force more than any other continent during the last century, and

now we think we don't need force, because Europe won't be using it anymore. But we are not the whole globe, we are only a part of it. Looking at the problems in a world of 6 billion people – one that in 20 or 30 years will be a world of 10 billion people – problems that include the development and proliferation of modern arms technology, failing states, terrorism and asymmetric economic development, it would be a little too idealistic to think the world will only evolve as we did in Western Europe in the last couple of years. We therefore need a combination of hard and soft power. But even with hard power, Europeans will not be able to solve their problems on their own. Here is my idea, which is meant to be provocative: we cannot concentrate only on the question of what Europe's message is. Regarding global issues, the Western world has a common responsibility and a common destiny, especially within the transatlantic partnership. If we combine our special capabilities – American strength, leadership and decisiveness along with Europe's experience, both its mistakes and successes – we can make an optimal contribution towards a stable world order in the 21st century. We should see to it that the EU becomes more integrated, with more common foreign and security policies, that it serves as a stronger partner within the transatlantic partnership and that it advocates more cooperation between the great powers of the world.



Engaged in music: Jan Mojto with Dr. Monika and Rolf Schmidt-Holz

Rolf Schmidt-Holz

I strongly feel that the longer I live in New York, the more European I become. Yet having traveled the world, I can also clearly say: the world doesn't take us seriously, it doesn't consider Europe a tangible power. The world doesn't feel it can count on Europe, rather that Europe is very complicated, very self-focused, very confusing. There is no leadership in Europe; there is no European leader the rest of the globe can talk to. People around the world probably like us because we are a little bit cultivated, a little bit sophisticated, because we are nice people – but we're just not a global power. We don't really have any oil, we don't truly have military power. So based on my travels, I would say people think Europe is weak. Europe is also interesting, sophisticated, full of poets, philosophers, scientists – which is great. But the rest of the world is not interested in counting on us. Therefore, I really feel we need to ask ourselves first and foremost: do we in Europe have a heart and soul and a destination? Or don't we? What is Europe's glue, what is its heart and soul? Obviously we could say, Europe's goal is maintaining an absence of violence and preventing any further wars. Fine, but this is a negative statement. It's not a positive one. It's good and perhaps it's also sufficient, but it's not what brings young people to their feet. We don't celebrate Europe. So there's a

lack of emotion in the Europe we have now. And being from the media business, I can tell you that a movie without music is not a movie. It's rubbish. And a union like Europe without emotion – it's nothing. It's a political rationale. It's clear that nobody would sacrifice him- or herself for that. Everybody would say: it's a good rationale, but not one I'm particularly interested in. So as long as we don't have this kind of glue holding us together, a heart and soul and emotional spirit uniting Europe, nobody is going to take us seriously. In addition, as long as we clearly don't have any real military power or leadership, the world will continue to say: "Great people over there in Europe, but we have to talk to Washington. And tomorrow we'll have to talk to China. Let's not even waste our time running to Paris, London, Berlin – we don't even know where to go". This is what I'm afraid of. And it's what I hear as I travel the world.

Ursula Plassnik

In my opinion a message is essentially an offer, which is something that you can provide from your own experience and which has



Perceiving Europe's message more as having influence or offering an alternative: Ursula Plassnik and Pascal Lamy

interesting elements for other people. For me, the European message is basically the specifically European way of life. Where is the emotion? I feel this emotion very strongly: I want to live as a European, to live based on the idea that we have practically abandoned the use of force among each other, that we have agreed on a special social model, that we believe in careful and sustainable management of the environment and that we acknowledge our cultural diversity. The management of diversity is a very specific, European way of thinking. Our continent is small, fragmented, the question of borders does indeed play a role – which is something a citizen of the United States would probably not understand. During the last 50 years, European history has to a large extent been the development of practical answers to the question of how to deal with borders and cultural diversity. The offer Europe can make is, therefore, one of non-hegemony, of partnership, as Wolfgang Schäuble put it. The world of the 21st century is going to be about partnership, more so than it was about power in the 19th and 20th centuries. Now, can we provide that offer without the hegemonic implication of “the world can

be seen as a European invention”, as is proclaimed in the discussion paper presented by the Bertelsmann Stiftung?

Wolfgang Münchau

As for the transatlantic relationship, I agree very much with Wolfgang Schäuble on the need to rebuild relations with United States. However, there is a difference between

us and the Americans as to how we are “transatlantists”. When we look at foreign policy we talk primarily in terms of relations. When Americans talk about foreign policy, they look primarily at their strategic interest and then, secondarily, at relations. As Donald Rumsfeld once put it, “The mission determines the coal-

Wolfgang Münchau and Wolfgang Schäuble are missing strategic thinking in EU Foreign Affairs



tion”. He has a way of putting things concisely, and the notion that the coalition derives from the current mission is perhaps something we can learn from the United States. I think we Europeans are not very used to or comfortable with the idea of strategic objectives, even among experts, when we discuss foreign-policy issues such as Turkish membership in the EU. If we want to play a larger role in the world, including if we want to improve our partnership with the United States, the type of thinking that has often been absent in European policy needs to be strengthened. As for the question of emotions, as others have observed there is obviously an absence of emotion in Europe. But in one sense, taking emotion out of Europe has been a great achievement. I think that, up until a certain point, the development of European integration would not have been possible if emotions had run high – as we have seen in the referendums in France and Holland. This was a case where people become very emotional about the debate, but where the debate was to a large part very irrational. We need, however, to create some kind of “Europeanness”. This does not mean a sort of national identity – that is not going to happen – but some sense of Europe. If we look back at the debate about going to war with Iraq, we had a little bit of that. It split European governments – and I was one of the supporters of the war at the time – but it didn't split the European people. In every country, everyone was pretty much against it, so there was a joint sense of outrage, a joint sense of opposition. In that, one could certainly see the kernel of a “European attitude” towards global affairs.



Wolfgang Schäuble and Radovan Jelacic are in favor of a transatlantic alliance

Radovan Jelacic

Looking at the attitude of my former fellow citizens of the Eastern bloc, now the people of Eastern Europe, I am very much surprised at how much more pro-American they are than Western Europe is. As a result, I believe that in the next year a very pro-American attitude will make itself felt in Central and Eastern European countries that will perhaps reinforce the idea of Europe having a stronger transatlantic relationship.

Jan Mojto

Europe will fail to face up to global challenges such as Iran's nuclear capabilities because it lacks power. I say that from a businessman's point of view. If you go abroad as a European, you are not taken seriously because you are alone. No government stands behind you. If you go abroad as an American, you can build up on a unified policy based on patterns, on prices and many other things. So I've been wondering: where will Europe get that power in order to achieve a partnership?

My second question is: When we have identified that power, how will we convince our citizens to use it? My interpretation is: an aging society preserves, an aging society is not willing to change. If we cannot instill in our societies a willingness to change – which means, of course, that there will be winners and losers – we will not be able to create a strong, respected and respectful Europe. And that worries me a lot.



H.I.H. Prince Asfa-Wossen Asserate, Beatrice Weder di Mauro, Jan Mojto and Heribert Meffert reflecting on Wolfgang Schäuble's opening statement

Beatrice Weder di Mauro

Europe needs a system that can promote change. It needs a system that will promote leadership, and this also means that it cannot have too many veto rights, which is what is preventing resolution of the enlargement problem. How can we move towards a more united Europe, one that can have a voice, that can have and eventually exercise hard power? Certainly it would be desirable if there were a representative of Europe

at the international institutions, at the UN, as well as at the IMF and World Bank, which could probably be achieved more quickly, since they are not so political. We need a different political decision-making system. Only then can Europe unanimously engage the outside world.

Pascal Lamy

To those around the table who have defined Europe's ideal posture as being similar to the American one – power and emotion serving as the benchmark of perfection in the international scene today – I would say: that's fine for the US, but I don't think it will work for Europe, since Europeans have already had a lot of power politics. They have experienced many emotions throughout their history, and I am not sure they are looking for more power and more emotions. For reasons that have to do with what

Europeans are, with their culture, their past, their history. And even though I love emotion on an individual level, I am somewhat cautious about collective emotions. In many respects there is an ethical preoccupation in politics about the use of collective emotions, a preoccupation that should exist. I think we have to define our own concept of power, as compared to the American idea, our own way of communicating our message. I would say Europe's concept is more one of having influence than having power. In my experience it is absolute-

ly clear that when Europeans are united, they have the necessary influence. When they are not united they don't have that influence, and of course not having influence they will never have power. But there is a large range of international issues where, if Europeans are united, they can be leaders or at least strongly influence other actors like the US, or China and India, who are the US of tomorrow. So I



Pascal Lamy and Beatrice Weder di Mauro propose a one-voice policy for Europe

would substitute influence for power and culture for emotion. Influence, of course, is less than power, but culture is more than emotion. It has to do with process, with understanding, with rationality, with dialogue – which is something Europe could also try to communicate as one of its messages. The creation of such a climate of dialogue is what we need for the future, not a reproduction of 20 centuries of power and emotion, which have ultimately led us Europeans to focus on finding alternatives.

Wolfgang Schäüssel

There is enough military power in the world. I don't think that Europe should waste money, energy and resources on creating a kind of second world power in terms of military expenditure. It doesn't make sense. It would make sense to work with the Americans and the other permanent members of the United Nations Security Council to fight global problems. On this level Europe has something to offer. We have the most experience in overcoming problems of transition. Who else in the world can offer such a perfect solution? We are the perfect example of how to overcome religious conflicts, minority conflicts, language conflicts, border conflicts – and that is something truly meaningful. I agree with Pascal: if we act together, we have influence. As the new director of the WTO, he is the best example. If Europe had nominated three different candidates as part of the selection procedure, it would have been a disaster, so we were united and nominated only one. If we are united, we can succeed, and that's the best possible solution, not only for Europe but for the entire globe. If we are not united, if we quarrel about old Europe, new Europe, which way to go, should we criticize Bush more than Saddam Hussein or the other way round – then it's over. Nobody will trust us, nobody will believe us, nobody will have the impression that Europe is moving in the right direction. So first of all we should really concentrate how to overcome our internal problems. In addition, we have to consider that the Americans rightly criticize us for our lack of strategic thinking. The question of strategic thinking is absolutely important, and we have to invest more time, energy and money in European think tanks in order to develop

Europe's Message – Competition and Sustainability

a more clearly defined medium- and long-term strategy. Finally, we need to be more aware of and sensitive to real-world threats.

Ursula Plassnik

What are the threats to our security? We have to reach agreement on what we feel threatened by, since unless we clearly define what the threats are, we'll not be able to mobilize people to respond, to invest money and human lives, if necessary, in defending ourselves against such threats. Interesting in this respect is Kofi Annan's report on the reform of the United Nations, in which he adopts a larger notion of security than we've had before. And I think this is a very wise thing to do. What are the actual

threats to Europe? Is it a military threat coming from Iran, Russia, the United States, or wherever? Probably not. If you asked someone in the street, what is a military threat, what should we respond to in military terms?, this might not be the answer you get. There are two things for which people are probably ready to make an investment: first, the new threats to security stemming from terrorism. This is what people feel threatened by, and it's not anything you can define in traditional geographic or military terms. The second thing might well be conflicts within the global village that could potentially impact Europe. So the question is how to intervene when they arise. Preparing for this is exactly what we are doing in the EU by developing our crisis management capabilities in both the civilian and military sectors.



Carabinierisaal, Residenz Salzburg



Pascal Lamy

In my opinion, Europe's basic economic message is that we want to work for a sustainable market system. Globalization is proceeding extremely rapidly, bringing major changes and strain. Economic globalization is of course nothing more than an expansion of market capitalism with its two well-known sides - the bright one and the dark one. The bright side has to do with

For Pascal Lamy, Europe's message rests on two conceptual pillars: sustainability and multilateralism

innovation, growth and raising standards of living, while the dark side has to do with the imbalances that some say are unavoidably linked to this model of market capitalism. I know it's a point for debate, but I basically agree. So if we want to foster the benefits of a global market capitalist system, the basic message from Europe has to be that we are determined to address the system's risks, and its basic risk is lack of sustainability. We have to create sustainability in the three areas where the main imbalances of global market capitalism develop: first, in North-South disparities; second, in social imbalances within our own countries; and third, in environmental imbalances. And if a European agenda is about sustainability, what would a US or Chinese or Indian agenda be? If I had to define the US agenda as it presently stands, it would probably be more about security than sustainability, which leads to discussions of whether sustainability is or is not a condition for security. I believe it is. But I also have to recognize that this is a controversial point, notably for many American intellectuals. As for sustainability, it is interesting to note that corporations increasingly feel pressure to exhibit corporate social responsibility, pressure that does not come from the political arena, but from business itself. It comes from multinational companies, which have realized that since they must exist on various continents and in various cultures, they need more than just profit maximization as a selling point for the people they recruit. This ultimately leads to a confrontation with certain values.



How to balance Europe's notions of competitiveness and solidarity? Ursula Plassnik, Anton Zeilinger and Beatrice Weder di Mauro

Ursula Plassnik

Europe is the place on earth where income inequality is the smallest by far; I just happen to have the figures with me. They come from a new United Nations Development Program report from last year, and they're quite impressive. I think this is a powerful statement about the quality of the European economic system and an indicator of successful economic activity.

Beatrice Weder di Mauro

Let me take issue with the idea that Europe's model is one of a social market economy, as opposed to an Anglo-Saxon one. This is often called one of Europe's defining aspects, but while we talk about diversity in cultural and political terms, we tend to say that in economic terms there is no diversity - which is absolutely wrong.

Every European country has a different economic model, and it's obvious when you compare them that there is no one economic

model for all of Europe. There may be more redistribution in one country and less in another, there may be more of a market economy at work in one than in another, but there's no "European model". I think the discussion of Anglo-Saxon versus continental European models is not very productive, since it does not address the ultimate factors of what creates well-being and growth in a

society. Markets allocate resources to the best users; it's very simple and it's ethical. After that, you then have to ask: how much redistribution do we want? How much inequality do we want to tolerate? This of course is a cultural issue. It's a personal issue that is different from one country to the next and is something every country must decide for itself - but I don't think it's right to say it's an Anglo-Saxon versus a continental European issue. It's an issue that every society has to resolve and therefore, I would say, we should not play along those lines. It's contra-productive for Europe.

Similarly, the term "global capitalism" is not well received in Europe. But what is global capitalism? It's the working of markets on a global scale. What have they created? Have they created more inequality? Well, it's true that inequality world-wide has increased. We can measure that, we can document it. Is it true that the markets have created this? That's much more difficult to answer. When you look at the studies that have tried to examine whether free market economies have grown more or less than countries which

have not opened to this kind of capitalism, you'll find that free market economies actually did better. So it's wrong to say that global capitalism has created the imbalances we are currently seeing, while it's right to say that those countries that have introduced a free market economy have been doing better. It's a dangerous assertion, since it has a practical effect and is limiting the opportunities of countries that might reduce poverty much faster if they did introduce one.

A last remark: should companies assume responsibility? Or is it specifically European for companies to take on social responsibility? It's always a bit dangerous to quote Milton Friedman, since he is so often associated with one perspective, having written an article where he states that "the social responsibility of business is to maximize profits". When you hear it, you think, well, typically Friedman, but when you read the article, what he says is that businesses should maximize profits because this is what they do best, whereas they have no democratic legitimacy for redistribution. If the business world is redistributing resources, if it is deciding which arts or cultural activities to support, if business is deciding which social groups should be promoted and which ones should not, then we are mixing up the principles of redistribution and allocation. We are mixing up the democratic principle and the market principle. This is why companies are supposed to maximize profit and politicians are supposed to make the rules and manage redistribution, and the



Trilogue - Three circles meet: Liz Mohn, Ursula Plassnik and Helga Rabl-Stadler

democratic process has to decide how much of that we want. It's a very basic principle and it's simple, but it gets confused when we claim we want business to take on various responsibilities relating to social and environmental issues.

Wolfgang Schäuble

OK, business has to generate profits and politics has to decide what should be redistributed. The question, then, is: how much regulation can we afford without impeding competition? In Brussels some people are convinced you have to regulate and harmonize everything on the European level, and then competition will function. The result is a bureaucratic disaster. In the same line, we also have more social benefits and more redistribution than any other part of the world. What we must consider is whether we are setting up obstacles preventing individuals from acting dynamically. If the state bureaucracy is responsible for everything, for regulation, for social assistance, for everything, then we can't be too surprised when our young people are not as engaged as they used to be or as they should be.



Which responsibilities should the private sector take on? Franz Humer, Beatrice Weder di Mauro and Wolfgang Schüssel

Franz Humer

I can't get excited about the question of Europe's economic identity, because I run a global business, which means there are two issues that concern me. One is competition, and the other is: how do I grow that business? In the Lisbon Agenda 2010, Europe has proclaimed objectives that have clearly never materialized in European or EU politics, as I would call it. Europe was never willing to make any meaningful progress. And I disagree with using European culture as an excuse for not being competitive. Forgive me, Mr. Lamy, economics has very little to do with culture. It has to do with innovation and the protection of innovation and, therefore, with growth. If Europe wants investment in research and development, it has to have favorable economic conditions. In all probability, large multinational corporations will still be around in 100 years. But it is unclear where they will run their operations from. Maybe from Europe, maybe from the United States. In 20 years, managers may run the company from China or Singapore. That decision is being made by the economic framework that

politics is putting in place, and that's where I have the greatest concerns that Europe is starting to fail. We're not persuading powerful multinational companies to base themselves on this continent and to be proud of being based on this continent.

Wolfgang Münchau

In my conversations with non-Europeans about the economy, the feedback I always get is, "What's wrong with you? The best thing you can do for the global economy is to improve your own economy". Being egocentric and globally responsible at the same time is not a contradiction; it's actually the same thing. We've had declining growth rates in Europe in a fairly dramatic way over the last 5 years, certainly in continental Europe, and I think the debate should be about how we can help Europe to recover. I very much agree that we should relinquish our very romantic view of the European social market economy serving as a model, since it's an entirely non-realistic description of a system that has now produced mass unemployment for a full generation.



How to increase competitiveness and economic growth in Europe? Crucial questions for Franz Humer and Wolfgang Münchau

My message is therefore: the best thing we can do for the global economy is to adhere to an agenda that increases economic growth in Europe.

Veit Sorger

We see Europe very focused on creating a balance between economic, ecological and social considerations. As entrepreneurs we believe that we have to share the benefits and profits among everyone. We develop a voluntary concept of corporate social responsibility, which includes all these considerations and we see more and more that larger companies are indeed relying on such a concept. What does this mean? It means that corporate concepts focus not only on short-term profit, but on sustainability and longer-term profit, an integration into society, as well. That means making a contribution to an integrative society, taking responsibility for the environment and for the future, for education and the university system. We support those companies that are successful in business terms and that also feel a sense of responsibility in social terms.



Veit Sorger, an advocate of corporate engagement in the arts, enjoying the opera with his wife

Heribert Meffert

Unlike Mrs. Weder di Mauro, I don't see a conflict with profitability when corporations engage in social activities. Companies undertaking socially responsible activities do so both in their own interest and for the public good. Companies can have the greatest impact in favor of the public good if they align their strategies and competencies with society's well-being, and if this is anchored in a strong corporate culture. As Michael E. Porter and Mark R. Kramer of the Harvard Business School have shown, companies will simply fail if they merely uphold moral standards or, conversely, solely focus on profit. But those companies who really optimize both objectives, who move towards an equilibrium between corporate social responsibility and shareholder value - who take the stakeholder approach, in other words - always do better in the long run.

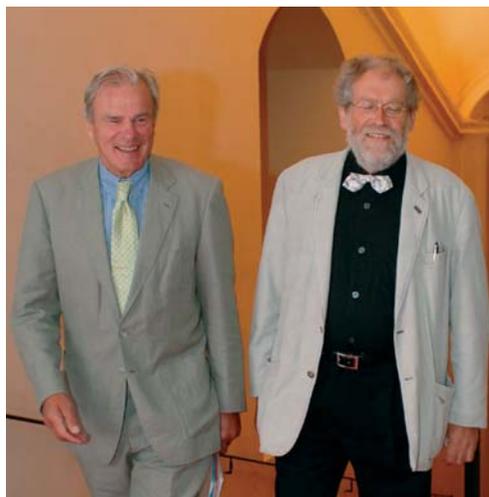
Wolfgang Schüssel

The big difference between capitalism, on the one hand, and a market economy with social

objectives, on the other, is the time frame – that is, short-term or longer-term success and, as Pascal put it, sustainability. This difference is important. In the long run, I think we are better off in Europe and on a global level if we have a solid infrastructure and a social model that contains more elements of consensus. Incidentally, this is an attitude we also find in Japanese and Chinese culture. These are not only confrontative and competitive societies; they also work in a truly cooperative manner. Cooperation is an additional force, an additional source of strength. And I would say that the European model with all its diversity indeed has its beauty.

Anton Zeilinger

I would like to try to connect some of the statements that have been made to the situation of universities, higher education and research in Europe. If you look back in history, until World War II there was no question that Europe was the world leader. World War II changed everything, and it is usually said that this was due to emigration, which is only part of the story. Another part is that during World War II, the Americans invented a new system of supporting and encouraging research, one that had not previously existed in Europe. The system is simply that access to money and resources is based only on academic qualifications and intense competition. And this intense competition to fund basic research is actually what made schools like Stanford University, Berkeley or MIT such great institutions whose spin-off companies basically created the whole computer revolution and so on. It is my conviction that we must do something similar in Europe. But this is not happening sufficiently yet, Europe has



Veit Sorger and Anton Zeilinger arriving at Salzburg's Residenz

not yet learned the full lesson. There are still institutions where people get significant money because of their position and they can lean comfortably back. But this is completely wrong. The basic point must be: You have to fight for your research money all the time. There is no standstill in science. You must move on all the time.

Clemens Hellsberg

As for competition, I must say my whole life is competition – competition with other artists, with other orchestras. It is a very narrow path we have to walk. On the one hand, every concert is a challenge; with each concert you start at zero. No tradition or reputation helps, and the only thing that counts is the moment. This is a very strange situation. One has to find – as I always try to do – a balance between making people perform with a maximum of quality and giving them a feeling of security, of being safe should anything happen. There is a very famous story about the conductor George Szell. A musician in his orchestra made a terrible mistake during a concert. Afterwards he went



Markus Hinterhaeuser and Clemens Hellsberg believe it must be possible to be competitive, perform optimally and remain human

to Szell and said, “Sorry, it won’t happen a second time.” Szell replied, “I hope so, since it certainly won’t happen a third time.” After the second time the musician would be dismissed. That’s not the way to success. I consider the European tradition, the European heritage, to be finding a way to achieve the optimum and yet still remain a human being.

Pascal Lamy

I think Clemens made a very good point, namely: what, exactly, is the amount of risk-taking that we’re willing to accept? This of course is a fundamentally political question, as opposed to an economic question. And the truth is, it correlates closely to our anticipated future. If we compare the current situation with the last 50 years of European history, Europeans on average now believe that tomorrow is going to be worse than today. Which is a very important economic reality. The day you believe tomorrow is going to be worse than today, you become much less willing to take risks, whereas if it’s the other way around – and this is the case in the United

States and in China, for instance – then there is much more economic activity. I think the basic economic reality in Europe today is that there is a contradiction between the system we live in and the actual attitudes we have. Working within a system that is based on market capitalism and believing that tomorrow is going to be worse than today is an inherent contradiction. I would say that politicians have a major responsibility to do what they can to alleviate the second constraint, because we’re not going to be able to change the first.

Martin Kusej

I appreciate the statements of the so-called entrepreneurs – the responsible heads of the companies – because they are the only ones in this circle who really talk about reality. That means a merciless competition, it is about profit, about hard and sometimes inhuman business ... but it is the truth. That scares me somehow, but I can understand the position of my enemy, I can see the aim of my work without any romantic or idealistic view. Sometimes when I fly from Hamburg to Salzburg I fly together with a lot of businessmen. They all have little suitcases and laptops and they are all dressed very expensive – and I have nothing like that, but I am a Businessman, too. My company is here, in my head, in my mind, and I am sometimes proud that I am working in immaterial business. So, if we don’t talk about profit and if we don’t talk about money, if we just talk about a will or a wish of human beings – to be better, to come forward, to compete if you want so, we are all in the same boat. And it’s a good and fast boat and I like that.

Europe's Message – Multilateralism

Pascal Lamy

A second basic message of Europe in the global economic field should be the promotion of a more multilateral system of governance. The lessons of European integration are not only that we can replace war with peace, conflict with discussion, but also that we can replace the rule of force by the rule of law, including in the economic field. I'm not saying this is simple, but it's a challenge we should accept. I believe that in today's world, we have a gap between the reality of interdependence, which has been created by global market capitalism, and the localism of our governance systems. Europe's message is also that we should try and cope with this discrepancy as we've done over the past 50 years within Europe, by building a single market with a number of governance systems.

If we want to promote a true multilateral system of governance in the economic field, we have to promote more coherence among international organizations. This is a major challenge, since the system we inherited from the 18th and 19th centuries, which is basically the Westphalia system, is based on the notion that international life is determined by the nation-state, which is coherent, and that all international organizations are therefore coherent because they derive from agreements between nation-states. Obviously, in reality this is not always the case. Yet I think that each of our nation states and the European Union as a whole will have to accept that what we do in the WTO, ILO, WHO, FAO and Unesco, as well as what we do in IATA and the international postal and international telecommunications unions - it all has to be more coherent. Obviously this is a huge challenge for countries which may not have the same experience as Europe in sovereignty sharing.



Pascal Lamy and Ursula Plassnik hoping for more multilateral action in the global arena

Ursula Plassnik

One word to the role of the United Nations, because there are many people in Europe who still hope that the United Nations will take its proper place in the world. I would say it's necessary to change the main states on the Security Council, since they still reflect the state of affairs after World War II. I think it would be better to have the EU member states together, not each country as an individual member, but the European Union itself as a member.



Europe's Message – Cultural Responsibility in a Merging World

Cristóbal Halffter

As I see it, European culture rests on four pillars: Greek philosophy, Roman law, the Christian notion of what it is to be a human being and the uninterrupted, simultaneous and continuous evolution of European philosophy, science and artistic creativity – something we rarely find in a similar form in the other civilizations with which we co-exist today. For Europeans it's normal to view the works of art and music, the philosophical concepts, the architecture and literature of a particular epoch – the Middle Ages, for example, the Renaissance, or the Baroque or Romantic periods – within the context and as the expression of a unified world of ideas.

We're gathered together in Salzburg, the city of Mozart. This immediately leads me to think of the fundamental relationships among the discoveries made by Egyptologists in the 18th century, the ideas of the freemasons and the philosophy of the Enlightenment, on the one hand, and their expression in the opera *The Magic Flute*, on the other. The appearance of one in the other is hardly a coincidence, and we find such interconnectedness in every instance of our culture, from antiquity to the current day.

If we agree that a dialogue between cultures and civilizations is important and necessary, we must base this dialogue, first, on tolerance and respect and, second, on a mutual willingness to get to know the other side and the deeper understanding that results. We have to delve into the complexity of the culture of the West and cannot allow ourselves to believe that a summary look at 3,000 years of history and development can be provided by a two-hour television docu-drama. It would be dangerous were we to regard the mass movements and events that are so characteristic of our age as the singular elements of our culture. That is why Europe's nations have a particular responsibility to those cultural manifestations that are not a part of mass culture. Culture must be supported at that point where the free market leaves it dangling. Such commitment to minority culture can prove highly fruitful and send a strong signal to help shape the future. I would like to illustrate this using the example of Islam.

In the position paper we've received from the Bertelsmann Stiftung, the question is raised: will Europe become the cradle for Islam's rejuvenation? I believe this will indeed be the case, exactly as in the 9th, 10th and 11th centuries from its foothold in Spain, Islam rejuvenated European culture. We can-

not forget, for example, that Arab mathematicians presented us with a key gift: the concept of "zero", without which Western culture could not have developed as it has, all the way up to the binary code used by computers.



Keynote by Cristóbal Halffter on Europe's cultural message to the world

I believe that this rejuvenation of Islam is not only possible, it's critical, since Islam never knew a parallel development of religion, science and art. Yet globalization is forcing Islam to undergo such development now and, especially, to confront those ideas that gained currency during the Enlightenment. Were it not to do so, Islam could not co-exist with the secular societies of Europe. Europe must take on the responsibility and task of entering into this rejuvenating dialogue with the Arab world's elite. The hope is that this rejuvenation will then also become reality for the masses. It will take a significant amount of time, however, for human rights, belief in the equality of women and the separation of religion and state to find acceptance. In the years to come, as this transformation happens, we must not fail to stand up for our own values. That is our global responsibility.

It would be appropriate in this anniversary year of *Don Quixote* – the first edition was published four hundred years ago – to adopt the example of the knight and his quest for utopia as the principle of European culture within the framework of the EU. The utopia of our time is that through dialogue we might come in this globalized "one world" to a dee-

per understanding of and a peaceful co-existence among cultures and civilizations.

It is my belief that in order to achieve this goal, we must take an analytical look at ourselves and ask again and again: what are the essential elements and values of European culture? We must all do our part to stimulate a critical analysis of our own cultures. This is an all-important task when it comes to educating the young, who must become acquainted with the complexities of European culture. If they are only familiar with mass culture, they will hardly be in a position to uphold Europe's values.

The dialogue with Islam or other Eastern cultures will only be possible and productive if we carry it out with an understanding and appreciation of our own. For a dialogue of cultures, we need people who can differentiate between what is today's fashion and what has been recognized as fundamentally true over the course of 3,000 years of continuous development. One such truth is the inherent dignity of each individual human being, a truth that we must never again place at risk for the sake of economic or political gain.



Anton Zeilinger, quantum physicist, is interested in spiritual and intellectual foundations, not only Europe's, but the world's as well

Anton Zeilinger

There is one point I would like to add, which has to do with the joint evolution of sciences and culture. It's important for me that we have learnt in Europe to ask questions without prejudice -

Arts, Politics and Business – the Trilogue atmosphere being enjoyed by Markus Hinterhäuser, Ursula Plassnik and Franz Humer



Fragen ohne Vorurteil. This is a procedure which is important in both the arts and the sciences. I feel this is a very European discovery, as it does not exist in all cultures, and it remains very important for the future evolution of the arts and sciences, even in our society.

Markus Hinterhäuser

Mr. Halffter expressed some very remarkable thoughts about Europe's attitude towards Islam. I wouldn't be so optimistic to think that Europe could be the beginning of an Islamic renewal. That is something I'm rather skeptical about. However, there are various possibilities for defining Europe's role in the world, and Europe should be very aware of making the most of these possibilities. I'll give you a very practical example, one the festival has worked very hard to realize here in Salzburg. It is one of the most courageous and sincere initiatives undertaken

by an artist in recent years - I'm talking about Daniel Barenboim, who founded an orchestra of Palestinian and Israeli musicians. He went to Ramallah on the West Bank and to Jerusalem, Israel, to choose his performers from among hundreds of young and talented people and then bring them together. This has nothing to do with PR; this is an incredible, sincere initiative. This means these talented young people actually live a reality we only speak about. We don't really know it, but they experience it directly by doing what they do best: playing music, communicating with music.

That is very important, communicating through music. Music is not isolated from political and social processes, it's very much related to them. The so-called dynamics of creation, why a musical composition is composed, why a play is written for the theater, why a painting is painted - very often such dynamics have to do with a political and social situation since they are based on a very private situation, which is itself embedded in a political and social context. So Daniel Barenboim's orchestra is something the Salzburg Festival, as the most famous festival in the world, should have the generosity to invite.

H.I.H. Prince Asfa-Wossen Asserate

I do believe that the great challenge we face today is the question of how we are going to deal with Islam. On the other hand, I must say I am quite astonished that all of the European Union's efforts up until now have gone wrong. They have gone wrong simply because we started out on the wrong foot. We addressed the question of Islam as a political question. And it is not a political question. You and I are greatly privileged because we have benefited from the Age of Enlightenment in Europe. This is the basis for European democracy, for the division between state and church. This is one of the greatest privileges that Europeans fought for and got. But we must realize that this division does not exist in the Islamic world. There is nothing in the entire concept of Islam which is not religious. There is no art that is not religious, there is no music that is not religious. Everything is bound to religion and, I must tell you, a European Union that does not even allow the word "God" to appear in its Constitution will never be able to understand what Islam is all about.



H.I.H. Asfa-Wossen Asserate expressing his gratitude for the warm welcome provided by Governor Gabi Burgstaller

I do sincerely believe that we have to face Islam by coming to it as Christians, by saying yes to our religion and making Islam's believers understand that we want to talk about tolerance. We want to say: let's talk about the common basis we have with Islam. Let's start with the fact that Jews, Moslems and Christians all have a common basis, which is the Old Testament, and that they all believe in one God. And then let's say we have to implement a pact: that for us as Christians the way towards God can only go through Jesus Christ, but we accept that the way to God for a Muslim can only go through Mohamed and for a Jew it can only go through Moses and the Torah. Unless we realize the importance of religion, of standing behind our own and approaching Muslims on a religious basis, I sincerely believe we have no chance of even finding a path to dialogue at all.

Europe's Message – Elite or Mass Culture ?

Cristóbal Halffter

The media have a tendency to popularize and create a mass culture that does not derive its value from content, but primarily from the number of consumers participating in it. We read reports about events that are seen by thousands or millions of viewers, yet less often about those works that give expression to the highest form of human creativity. However: this mass culture alone hardly gives us insight into European culture! Sure, it earns money. But the question is: is the economy really our highest task as human beings? I think we have an archive here in Salzburg where we keep documents, little private documents from the 12th century, and for 200 years no one wanted to see it. It is very expensive to keep it up, to preserve it, to maintain the proper temperature and humidity. But what if in the next 200 years no one comes to see these documents? Do we have to destroy them? Sure it

is costly to preserve them, opera is also costly, especially contemporary opera, but if there is only one person out of 50 or 60 million who is interested in opera, I think we should be committed to giving that one person this opera. I think there is a danger of training people to want to see what we give them. So if there is only one little village and in that little village there is one person who goes to see Elektra and who then comes home shocked and unbelieving that something like that could exist, then giving that one person Elektra is worthwhile.

Together with Cristóbal Halffter (r), Helga and Heribert Meffert enjoy Salzburg's high culture



Pascal Lamy

I have a lot admiration and respect for the US media industry, which is obviously making a lot of money and satisfying lots of audiences around the globe – but James Bond is not my concept of culture. It's as simple as that. I totally recognize it sells and in some ways it matches American culture, but I don't want this culture to be the world's culture and probably not mine. And, since we're discussing politics, there is also another reason. The Bin Ladens of this world can mobilize antagonistic emotions very easily if they are directed against this sort of culture. So in purely political terms, what this sort of cultural offering brings with it is huge leverage for people who want to mobilize political energies. I would remain cautious.

Rolf Schmidt-Holz

Bertelsmann is a media enterprise. Obviously we are part of the mass media, and the mass-elite cultural paradigm is on our agenda every day. Why? Because we've lost huge amounts of money by trying to be cultivated and provide high culture. For example, we launched a very high-quality magazine, called art, a very nice magazine with the highest ratings. Fantastic. But we never really make money from it. Or take music, for example. We don't make a lot of money with classical music any more. As an entrepreneur you would normally say,

“Come on, we can't make any money here,” and you would stop it. So what do we actually do? We basically subsidize art with publications like Gala and classical music with pop. And we feel great about it. If we sell Eros Ramazzotti and Alicia Keys and Dido, that's fine. We sell 8 million, 12 million albums, and we could sell 20 million, if everybody would

Rolf Schmidt-Holz is sometimes annoyed by “people who want to have high culture on TV, even though nobody watches it”, while Pascal Lamy is critical of mass culture in the US



respect intellectual property rights. So what do we do? We take the money and put it in classical, and we even put it in classical music education in schools. What I want to say is: I very much agree with the value of high culture, but as a private mass media company, we have to balance those areas where we make money with those where we can provide culture. The mass media basically bring the advertising industry together with the public.

This why we broadcast, inform and entertain people. We can only earn money if the advertising industry comes in contact with the public. We need ratings, otherwise we are dead, bankrupt. So does it mean we only broadcast cheaply and not well? No, no, not at all. Because people aren't stupid, they want to have a mix of entertainment, information and, yes, culture. Our task is to find the right mix. It's very difficult. And I think this could be a further point on the European agenda: that we balance the competing needs of the private and public sectors a bit better.

Pascal Lamy

Obviously there is a problem of coexistence between private and public sector policies as far as culture is concerned. There is no way global market capitalism can itself provide the necessary resources or policies for culture. So public policy has to step in in some proportion. But of course even once you've said that, you still haven't said anything about how you do it or how many resources you put into it, or how the public and the private sectors can co-exist in a system based on competition. The public sector will always be pushing for public resources to be spent on high quality and - assuming that, except for a small elite, people don't care about quality - the private sector will be striving for big audiences. Is the public sector a challenge to the private? Does the public sector's benefiting from private subsidies - in the form of public broadcasters' accepting advertising revenue, for example - prevent the private sector from maximizing its profits? I believe both in Europe and around the globe, we must accept that culture is a sector where we are faced with the task of preserving diversity:

there can be no culture without diversity. And if diversity is one of culture's basic elements, then we need a permanent organization to channel debate about these two things. What's happening with the Unesco Convention on Cultural Diversity is therefore, in my view, a positive development, because it will send a signal that, at an international level as well, cultural diversity and the free market economy have to coexist, even if that is not always so easy.



Wolfgang Schüssel, Helga Rabl-Stadler, Pascal Lamy, Liz Mohn, Wolfgang Schäuble, Ursula Plassnik and Heribert Meffert adjourn to the Ante Camera Room

What really matters: Sports, love and arts

Helga Rabl-Stadler

Hugo von Hoffmannsthal wrote that only the arts can reconcile people driven against each other in a world war. I think it is best to practice and prove it. That's our objective at the Salzburg Art Festival. Often in Salzburg we are a little bit envious, because sports activities get so much money. I don't want to say, "Here is sports and here is culture", but I think it's always problematic,

because the enthusiasm for sports often turns into nationalism. I think culture functions much better for young people, which is why we are very dedicated to the idea of integrating different viewpoints and ideologies into the festival.



Rolf Schmidt-Holtz and Helga Rabl-Stadler advocating positive emotions in Europe

Wolfgang Schüssel

Be careful about sports. I believe sports play a very important role, for instance by connecting people and showing that athletes with different backgrounds and from different nations can work and cooperate with each other, which, incidentally, is similar to what happens in the arts. It's not a bad example. If you look to the best teams in the Champions League you see that. Salzburg also offers the same example, where you have artists from 40, 50 or 60 nations cooperating for five weeks. They have one name, one project. A team is made

up of various artists and they cooperate. So my question is: is there a lesson the arts can provide us - politicians and business leaders - so we can motivate people of different backgrounds, religions and languages to focus and cooperate on one specific project?

Martin Kusej

Maybe you know that I studied sports and was a handball player in Austria before I discovered my love for theater. I played in an advanced league, so I think I know a lot about sports. The connection between sports and art is evident: Sports and arts are two immaterial businesses. And their capital, their gasoline is "emotion". Emotion is the moment where we forget our borderlines, our different cultural identities. It is a moment that unites people and

this is the moment we should work on. We should educate people to be able to have emotions and to live emotions. This is necessary in a spiritual and human sense. I am very often asked if I can imagine our society without theatre, without arts, without this "artificial production of emotions". O.k. I say no, that is impossible. But then I have this scaring vision: an entire world that completely cuts out culture or arts. I think there is going to be a kind of cancer in the people very soon, a disease, that we all don't know so far. We would be ill and depressed, ill like rats in a laboratory and we would have very severe problems. Now we are protected with art - and we would have to make this experiment, to proof the necessity of art.

Martin Kusej explaining to Ursula Plassnik the motto of the 2005 theater productions: "We the Barbarians - Notes from civilization"



Wolfgang Schüssel expressing his admiration for sports and the arts

Helen Donath

The most important thing in life is to really listen to each other without prejudice. Give other people a chance to express themselves, to present the ideas that they believe in and let them finish their sentence. Let them express what feelings they have without saying "but", or, "no, you're wrong" and allow them to exist, exercising the tolerance we spoke of at the Trilogue Salzburg 2004. With the love that we must have in our hearts, we should have less self-concern and more love for others, no matter who or what they are - Christian, Jewish, Muslim, Atheist, Agnostic or Buddhist, rich or poor, ugly or beautiful. Look at the rose. We accept its thorns and rejoice in its beauty. Thus we must truly comprehend that: LOVE is the driving force for openness, non-prejudice and tolerance. That is the responsibility that artistry has always taken on. Art can transcend all differences and create love. Those artists given the talent to communicate that love are as at the top of Mount Everest. Therefore they are able to have and do have the responsibility to take care of those who are in distress. We must help them climb this unbelievable mountain and move to a better world.

Europe's Message – Curiosity about the world as opposed to Euro-Centrism

Yue-Sai Kan

I always wonder why Asia is so successful in globalization. I think it's because of the curiosity that Asians have. The curiosity to embrace Western or European culture, for example. Just ask children from China, "Who are the most important composers in the West?" Beethoven, Mozart, Schubert – these are common names there. They all know it. Because they all learn to play

western music, especially piano. At one point, Chinese piano factories could not produce enough pianos fast enough for the consumers – there was a long waiting list! If I asked European children who the most important composer in Asia is, they probably wouldn't have an answer. So there is a problem here: you Europeans are not curious enough. As great as the Salzburg Festival is, I don't see it producing anything new. Recently I was in Beijing where I listened to a Chinese opera set in Europe. Did I like it? No, not really. Yet I was shocked and full of admiration – someone was tempting something new! In other words, you are too enclosed! You keep talking about yourself; you don't really embrace enough of others. I think a lot starts with early education and the parents. I think Chinese parents are very eager for their children to learn to embrace other cultures. For example, there is a national fever to learn English. Every Chinese child is learning English! From an early age, they want

children to be able to be part of the world community. So if you really want Europe to fulfill its global responsibility within a dialogue of cultures, that probably would be the most important thing you have to do.

Pascal Lamy

Having traveled the planet a lot in the last five years, I am struck by how little attention Europeans pay to what others would like Europe to do. If you want to construct a political message that has to do with identity, then I would say



Yue-Sai Kan, a US citizen but Chinese by birth, and Pascal Lamy are both mesmerized by the spirit of the Chinese and their desire for change

identity is always a conjoining of the view you have of your identity and the view others have. In order to answer the question of what Europe's message should be, we might do well to listen more carefully to what South America or Africa or Asia has to say about the way they wish Europe would behave.

Wolfgang Schäussel

Arts, politics, business – all of life requires curiosity. If the artist cannot create, cannot ignite our curiosity, then no magic moment is possible. If we are not curious enough to learn, to interact with others, then all else is futile. I believe the following was one of the most important sentences expressed during our time here together: "Europe is not curious enough; Europe is too self-focused". We have to be open-minded. It's the only way to show the world we are interested in it. And only if we show interest, if we act together with the rest of the world, can we claim global responsibility. In a way, this idea resembles what Europe's identity sounds like, if you listen to its anthem. You might know that the European Union decided to use the last movement of Beethoven's Ninth Symphony, the "Ode to Joy", which is based on a poem by Schiller, as its anthem. We all know it, of course, but are we aware of what we're singing? It's not really a

European anthem. It's actually dedicated to the world! If you read the text, it ends with "Alle Menschen werden Brüder", all mankind should become brothers and sisters. Schiller writes, "Seid umschlungen Millionen, diesen Kuss der ganzen Welt", which means: all the millions be embraced; this kiss is dedicated to the entire



Yue-Sai Kan and Wolfgang Schäussel propagate to overcome Euro-Centrism

world. I think this opening to and embracing of the whole world as part of the European identity is more than merely interesting. It's the most pressing point. If we can agree that it's our global responsibility as Europeans to open to the world, then that, I would say, is a highly fitting way to conclude this Trilogue.

Program

Thursday, August 11, 2005

Arrival of participants
Airport - Hotel transfer provided individually

Welcome Cocktail
Terrace, Hotel Sheraton

Walk to the Mozarteum through the Mirabell gardens

Concert "Kammerkonzert Midori" Mozarteum

Dinner hosted by Federal Chancellor Wolfgang Schüssel
Marmorsaal, Schloss Mirabell



Impressions from the dinner events. Centre image: Wolfgang Schüssel applauding Johannes Honsig-Erlenburg and his daughter for a charming performance on Mozart's original instruments



Helen Donath in the role of Despina accepts her applause in Salzburg from all Mozart lovers

Friday, August 12, 2005

Individual breakfast at the hotel
Departure to Residenz Limousine transfer

First Session of the Colloquium – Politics

Konferenzzimmer, Residenz

Lunch hosted by Federal Chancellor Wolfgang Schüssel
Apéritif Ante camera, Lunch Audienzsaal, Residenz

Second Session of the Colloquium – Economics

Konferenzzimmer, Residenz

Return to Hotel Sheraton Limousine transfer

Departure to Felsenreitschule Bus transfer

Opera Premiere, Così fan tutte
Großes Festspielhaus

Conductor: Adam Fischer

Directors: Ursel Herrmann, Karl-Ernst Herrmann

Walk to the Restaurant Goldener Hirsch

Dinner hosted by Liz Mohn

Rosa Salon, Restaurant Goldener Hirsch

Saturday, August 13, 2005

Individual breakfast at hotel

Departure for the Residenz Limousine transfer

Third session of the colloquium – Culture

Konferenzzimmer, Residenz

Departure to Anif Limousine transfer

Lunch hosted by Governor of Salzburg Gabi Burgstaller
Hotel Restaurant Friesacher, Anif

Departure Transfer to the Airport provided individually

Participants

H.I.H. Prince Asfa-Wossen Asserate, Ph.D. Consultant for African and Middle Eastern Affairs, Frankfurt
Kammersängerin Helen Donath Opera and Concert Singer, Wedemark
Prof. Dr. Dr. h.c. Cristóbal Halffter Composer and Conductor, León
Prof. Dr. Clemens Hellsberg Chairman of the Vienna Philharmonic, Vienna
Markus Hinterhäuser Pianist; designated Concert Director of the Salzburg Festival, Salzburg
Dr. Franz B. Humer Chairman of the Board of Directors and Chief Executive Officer, F. Hoffmann-La Roche AG, Basel
Radovan Jelasić



From left to right: Anton Zeilinger, Markus Hinterhäuser, Helga Rabl-Stadler, Ursula Plassnik, Yue-Sai Kan, Rolf Schmidt-Holtz, Helen and Klaus Donath, Wolfgang Schüssel, Radovan Jelasić, Liz Mohn, Veit Sorger, Wolfgang Schäuble, Heribert Meffert, Beatrice Weder di Mauro, Wolfgang Münchau, H.I.H. Prince Asfa-Wossen Asserate, Cristóbal Halffter, Pascal Lamy, Franz Humer, Martin Kusej and Clemens Hellsberg

Governor of the National Bank of Serbia, Belgrad
Yue-Sai Kan Entrepreneur and Humanitarian, New York / Shanghai
Martin Kusej Head of the Salzburg Festival's drama department, Salzburg
Pascal Lamy President of Notre Europe; designated Director General of the WTO, Paris
Prof. Dr. Dr. h.c. mult. Heribert Meffert CEO of the Bertelsmann Stiftung, Gütersloh
Liz Mohn Chair of the Bertelsmann Verwaltungsgesellschaft; Member of the Supervisory Board, Bertelsmann AG; Vice-Chair of the Executive Board and Member of the Board of Trustees,



Malte Boecker, Verena Nowotny and Elisabeth Sevelde-Gredler enjoying the Salzburg atmosphere

Bertelsmann Stiftung, Gütersloh
Jan Mojto General Manager of the EOS Entertainment GmbH, Oberhaching
Wolfgang Münchau Associate Editor, Financial Times, Brussels
Federal Minister Dr. Ursula Plassnik Federal Minister for Foreign Affairs of the Federal Republic of Austria, Vienna
Dr. Helga Rabl-Stadler President of the Salzburg Festival, Salzburg
Dr. Veit Sorger President of the Federation of Austrian Industry, Vienna
Dr. Wolfgang Schäuble Deputy Chairman of the CDU/CSU parliamentary party; Member of the German Federal Parliament, Berlin
Rolf Schmidt-Holtz Member of the Executive Board, Bertelsmann AG; Chairman of the Board of Directors, SONY BMG Music Entertainment, Hamburg
Federal Chancellor Dr. Wolfgang Schüssel Chancellor of the Federal Republic of Austria, Vienna
Prof. Dr. Beatrice Weder di Mauro Member of the German Council of Economic Experts, University of Mainz
Prof. Dr. Anton Zeilinger Director of the Institute for Experimental Physics, University of Vienna



Nadine Lindemann and Liz Mohn taking notes of the discussion

Publications

Rethinking Philanthropic Effectiveness

International Network on Strategic Philanthropy (ed.),
(2005) Bertelsmann Foundation Publishers
ISBN 3-89204-782-0

Bertelsmann Transformation Index 2006

Bertelsmann Foundation (ed.), (2005) Bertelsmann Foundation Publishers
ISBN 3-89204-856-8

International Reform Monitor

Bertelsmann Foundation (ed.), (2005) Bertelsmann Foundation Publishers
ISBN 3-89204-780-4

Building Philanthropic and Social Capital: The Work of Community Foundations

Peter Walkenhorst (ed.), (2001) Bertelsmann Foundation Publishers
ISBN 3-89204-563-1

Striving for Philanthropic Success

Bertelsmann Foundation (ed.), (2001) Bertelsmann Foundation Publishers
ISBN 3-89204-582-8

Managing Integration

Rita Süssmuth, Werner Weidenfeld (eds.), (2004)
Bertelsmann Foundation Publishers
ISBN 3-89204-770-7

Thinking Enlarged - The Accession Countries and the Future of the European Union

Bertelsmann Foundation and Center for Applied Policy Research (eds.),
(2002) Bertelsmann Foundation Publishers
ISBN 3-89204-629-8

Humanity Wins

Reinhard Mohn (ed.), (2000) Crown Publishers
ISBN 0-609-60806-1

Reinhard Mohn: Entrepreneur - Philanthropist - Citizen

Thomas Middelhoff, Gerd Schulte-Hillen, Gunter Thielen (eds.), (2001)
Bertelsmann Foundation Publishers, Titel-No. 02010

The Future of Foundations in an Open Society

Bertelsmann Foundation (ed.), (1989)
free download: www.bertelsmann-stiftung.de/verlag



Wolfgang Schüssel and Cristóbal Halffter studying publications by the Bertelsmann Stiftung

Modernity, Pluralism and the Crisis of Meaning

Peter L. Berger, Thomas Luckmann (eds.), (1995)
Bertelsmann Foundation Publishers,
free download: www.bertelsmann-stiftung.de/verlag

Civic-Mindedness

Bertelsmann Foundation, Research Group Politics (eds.), (2003)
free download: www.bertelsmann-stiftung.de/verlag

Liz Mohn: A Cultural Forum

Volume I: A German Egyptian Experience, (2002)
for free, ISBN 3-89204-679-4

Volume II: A German Japanese Dialogue, (2002)
for free, ISBN 3-89204-675-1

Volume III: Corporate Cultures in Global Interaction, (2003)
for free, ISBN 3-89204-764-2

Volume IV: Corporate Cultures in Global Interaction - Experiences in Business, (2003)
for free

A Modern Concept of Tolerance, Trilogue Salzburg 2004

Bertelsmann Foundation, Austrian Federal Chancellery (eds.), (2005)
Bertelsmann Foundation Publishers, for free

Imprint

© 2006

Bertelsmann Stiftung

International Cultural Dialogue
Malte C. Boecker, LL.M.
Project Director
Carl-Bertelsmann-Str. 256
D - 33311 Gütersloh
Tel.: +49 5241 8181368
Fax: +49 5241 81681368
malte.boecker@bertelsmann.de

Austrian Federal Chancellery

Verena Nowotny
Spokeswoman
Ballhausplatz 2
A-1014 Vienna
Tel.: +43 1 53115 2922
Fax: +43 1 53115 4161
verena.nowotny@bka.gv.at

Photography

Bernhard J. Holzner, HOPI-MEDIA Medienservice GmbH, Vienna

Discussion Paper with special contributions by

Josef Janning, Bertelsmann Stiftung
Robert Palmer, Palmer/Rae Associates
Birgit Riess, Bertelsmann Stiftung
Stefani Weiss, Bertelsmann Stiftung

Design

LESSHRAGS Lothar Kreutzer, Entraching

Print

EOS Verlag + Druck Erzabtei St. Ottilien, St. Ottilien

