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Academia Engelberg: Successful Completion of the 7th Dialogue on Science

“Governing means anticipating”

“As the current financial crisis has shown, too much freedom has been given. We now have to reinforce supervision and correct the errors within the system. To do this, it is not necessary to have more rules, but better and more suitable regulation is needed”, according to Federal Councilor Doris Leuthard at the end of the conference held in Engelberg.

“Growth has euphoric effects. The consequences for the financial market were excessive bonuses, risky speculations in shares, derivatives and real estate. Growth can also be terrifying. The gap between rich and poor becomes wider in rapidly growing markets. It can lead to the disappearance of SMEs due to the dominance of global companies. With the aim of facing the growing uncertainties, the Swiss federal government launched stimulus programs as early as 2004 and established regulations. Sustainable measures cannot be implemented overnight. We shall not be looking at single sectors and should not act reactively. We have to find an interdisciplinary and interdepartmental thinking”, she continued. She then called for an economic program that guarantees economic growth and high living standards. When a participant asked whether the measures agreed upon yesterday were sufficient, she answered as follows: “Market does not end at Swiss borders!” From her point of view, coordinated actions aimed at establishing new rules for the global financial markets are needed at an international level.

Obelix and the financial crisis

Werner H. Peyer, Global Wealth Management & Business Banking, at UBS Zürich outlined the causes of the current financial crisis with the aid of the popular comic character Obelix. Low interest rates and very accessible loans, an enormous price boom in the real estate sector – from 1994 until 2008, it increased by more than 225 percent – stirred up the markets. The sudden fall in demand has burst the bubble this year. He considers the measures taken by the Swiss federal council as important to recover the confidence. According to him, this is also a step to preserve the borrowing capacity, especially of SMEs, a fact that also secures jobs. When a participant asked him about further risks, he said: “If you operate a bank, then you lend money and this always entails risks.”

Energy-consuming modern dinosaurs

“It is actually incredible that those who are responsible have not reacted before. Everybody knew that yearly growth rates of thirty percent are impossible in the long run. But nobody dared to question this development. We consciously ran into the crisis” mentioned Professor Ernst von Weizsäcker regarding the current financial crisis. He



called to mind the fact that there are also other problems that have to be tackled urgently such as climate change, overpopulation, new pandemics, bio nanotechnologies (and their consequences) as well as dealing with new super powers such as India and China. He is especially worried about the unscrupulous manner of how Americans use fossil energies. "The government deliberately set low gas prices in the 1990's which considerably increased mobility. Afterwards, large areas of land, far away from the cities, were built on. The consequence of this was: The commuting distances for the people, all of a sudden, doubled. And this effect led to the modern dinosaurs, the so-called SUVs. In South America, bio ethanol is produced with corn or soya in order to protect the continent's natural resources. Due to this increase in demand, corn prices have doubled in Mexico. Once again, the poorest population segments are the losers of this development."

Energy and growth

"There is no doubt about the fact that energy reserves are coming to an end. We can expect that new types of energy will replace the current ones to the same extent". That is how Professor Lucas Bretscher from the Center of Economics and Research of the ETH Zurich presented his research. "It is therefore important that we carefully accompany the development towards a less energy-consuming society. Our energy consumption has to be reduced, especially in the areas where it pollutes the environment. Technological innovations are economically attractive and drive growth", he continued. He advocates that the research in this area carried out by the rich countries has to be shared with the poor countries.

Actions and not reflections are the order of the day

"The choice of issues was more up-to-date than we preferred. The past three days have shown that economic growth cannot solve all the problems of the world. Already the Greek talked about the right measure. As a consequence of the presentations, plenary discussions and workshops, I ask you to just do it. We do not have to look at our neighbors, actions from the politics or the government, or wait for results from science or UN aid programs. Let us start ourselves!", was the conclusion of Dr. Klaus Hug, president of the Foundation Committee of Academia Engelberg at the end of the conference. Roughly 130 participants from science, politics and society discussed these issues during the past three days. Most notably: Over one third of the participants were young scientists from all over the world who used this unique platform to present their projects and establish contacts with other scientists.

Bridge between science and society

Fundamental scientific findings are likely to meet strong reservations and encounter mistrust among the general public. Academia Engelberg (www.academia-engelberg.ch)



engelberg.ch) contributes its share to the creation of a new foundation of trust through interdisciplinary dialogue between the scientific community and the general public. Every autumn, personalities from science, industry, culture, politics and society meet in Engelberg, Switzerland. The 8th Dialogue on Science on “Violence” will take place next year from 14 to 16 October 2009.

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Images, this media release and additional information on the conference are freely available at www.academia-engelberg.ch -> Media

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