



THE POST-BERLIN AFTERMATH

Many walls still need to be brought down

By Professor Jean-Pierre Lehmann - November 2009

IMD

**Chemin de Bellerive 23
PO Box 915,
CH-1001 Lausanne
Switzerland**

Tel: +41 21 618 01 11

Fax: +41 21 618 07 07

info@imd.ch

<http://www.imd.ch>

The destruction of the Berlin Wall and the global market revolution that followed emancipated hundreds of millions of people. Though censorship and various forms of state control persist in different parts of the world today, never have so many people on this planet been able to penetrate through the walls of information to gain knowledge and connect with others. Estonians are members of the EU, many children of the new Russian elite attend Swiss schools, while the Chinese appear among the most visible tourists at the Olympic Museum located in the city in which I live, Lausanne.

Yes, but. While justifiably celebrating the 20th anniversary of the Berlin Wall's destruction and the progress made by humanity, it is difficult nonetheless not to feel sadness. For in truth, while the Berlin Wall may have been torn down, there remain many walls that are defiantly standing and indeed new ones that have been erected.

In the mid-19th century, the British statesman Benjamin Disraeli described what he perceived as two "nations" coexisting in Britain yet separated by a wall of mutual incomprehension: "Two nations between whom there is no intercourse and no sympathy; who are as ignorant of each other's habits, thoughts, and feelings, as if they were dwellers in different zones, or inhabitants of different planets. The rich and the poor."

Today there may be one globe in which elites from Mumbai, Shanghai, Dubai, London, New York and São Paulo converge to discuss common professional interests and share the same vintage wine, while remaining connected to their home-base with their Blackberrys or iPhones. But there are still the hundreds of millions of people who are globally disenfranchised, over three billion of whom do not even have access to a proper toilet. To paraphrase Disraeli: there may be one globe, but there are two very separate worlds between the globally included and the excluded.

To separate from the poor, the residences of the rich are surrounded by high and thick walls, with barbed wire, guards and sometimes dogs, just as the Berlin Wall separated East and West Berliners. The film *Slumdog Millionaire* and even more so the award winning novel *The White Tiger* by Aravind Adiga show what is needed to cross from one side of the wall to another – crime being one of the few options available. These walls all over the world are likely to get higher and thicker following the crisis and the prospects of a jobless growth recovery. In two years the numbers suffering from malnourishment have increased by 200 million to a staggering one billion. With the current population explosion due to continue well into this coming decade, the prospects for tearing down the walls between these two worlds seem increasingly remote.

Soon after the destruction of the Berlin Wall, a new wall was being constructed over a stretch of 1200 kilometers along the US-Mexican border. With the destruction of the Berlin Wall and the new era it seemed to herald, the rich countries in North America, Europe, Japan and Australia could have been expected to create a genuine "borderless" world by bringing down the walls to people on other parts of the globe. But that is emphatically not what happened; rather the reverse. In the EU, the Berlin Wall came down; the Schengen Wall has

gone up, making it more difficult for non-EU citizens to get in. Just as the wealthy have erected walls in their own countries to keep out the riff raff, the rich countries have turned into heavily guarded fortresses.

Just as a borderless world is distant, we are also far from a just and open global market economy. There are many trade walls (usually referred to as barriers). The most pernicious are the many that discriminate against poor countries; to cite one out of hundreds of possible examples: the tariff rates imposed by the US on imports from three of the world's poorest countries, Cambodia, Bangladesh and Pakistan, are respectively 16.7%, 15.3% and 9.9%, while the tariff rates imposed on the UK and France, two of the world's richest countries are 0.6% and 0.8%. As these prohibitive tariffs undermine the poor countries' growth efforts, they will help ensure that the walls between rich and poor countries will remain thick and high. These are among the iniquitous walls that the WTO Doha Development Agenda was supposed to eradicate. However after being launched almost a decade ago (2001), it remains totally bogged down with little prospect of conclusion in the foreseeable future. Not only are old trade walls not coming down, there are signs that new ones are being constructed.

Walls are by no means limited to geography and economic status. More than 60 years since Partition, the wall between India and Pakistan remains almost impenetrable (except to intrepid smugglers!). There is only one rather desolate border crossing – known as the Waga Border. In spite of professing great unity, citizens of the 22 member states of the League of Arab States find many walls in seeking to cross from one member state to the other. And there is the wall that isolates Palestinians.

There are multiple walls separating different ethnicities, religions and language groups. Also, though recent decades have seen improvements in the condition of women, still there remain thick walls between genders. As civilization advances, freedom of choice for the majority of individuals – where they live, where they are educated, where and how they work, how they live – must become a constant goal. Thus individuals should retain the choice to live behind walls, if they wish, but there should be no case of persons being forced to. Until women throughout the world are given this freedom, the gender-walls will stand out as an indictment of humanity.

Looking to the future, one can already see that the specter of climate change is erecting new walls between states. Not only does this apply to the politics and negotiations of climate change, but will be even more so in respect to those vulnerable countries that will experience – or indeed are already experiencing – the consequences immediately, and those

[1] Edward Gresser, "Trade Fact of the Week", 14 October 2009.

[2] The Waga Border does have its elements, however, of flourish; see <http://video.google.com/videoplay?docid=3290542468431162388>

that see it as a distant speck on a very remote horizon. Walls will soon be going up to keep out climate change refugees.

What are the implications for global business leadership?

The general forte of business has been to go around the walls. The Berlin Wall notwithstanding, many astute companies managed to do great business in the Soviet Union. The same applied in South Africa during the decades of the apartheid wall; ingenious ways were found by the astute to continue business. Japanese businessmen, for example, even accepted the humiliation of being labelled “honorary whites”! Going back further into history, business was also of course able to draw benefits from the labor found behind the walls of Nazi concentration camps.

Business philosophy has been to accept the reality of the walls. “Pragmatism” they call it. As we are well into a new century and able on occasions such as the anniversary of the destruction of the Berlin Wall to reflect on where we have come from and where we are going to, it behoves business leaders to think differently about walls, to envisage being part of the destruction crews, and relinquish their erstwhile position of propping up walls. This is not only because it is the responsible and ethical thing to do; but also because it is the only way to ensure our survival.

Jean-Pierre Lehmann is Professor of International Political Economy at IMD, the leading global business school based in Lausanne, Switzerland. He is also the Founding Director of The Evian Group. Professor Lehmann teaches on the Orchestrating Winning Performance (OWP), Leading the Global Enterprise (LGE) and the Building on Talent (BOT) programs.

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