

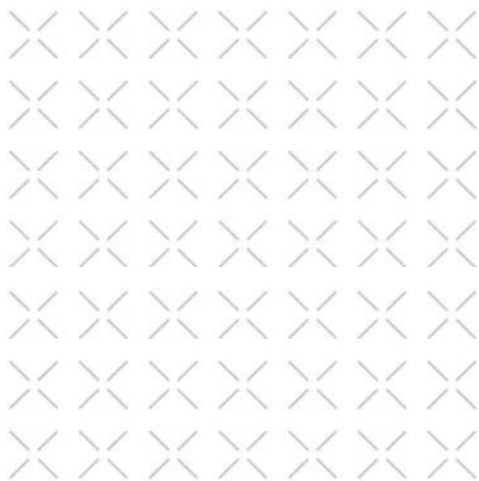
**20
23**

VOICES OF THE LEADERS OF TOMORROW



TOWARD SUSTAINABLE
TRANSFORMATION

**RETHINKING THE
GENERATIONAL
CONTRACT FOR A
BETTER FUTURE**



About the Nuremberg Institute for Market Decisions (NIM)

The Nuremberg Institute for Market Decisions is a non-profit, interdisciplinary research institute dedicated to the systematic investigation of consumer and market decisions. The institute is also the founder and anchor shareholder of GfK SE. At the interface between science and practice, NIM explores how market decisions are changing due to trends, new technologies, and new sources of information. Our goal is to deepen the understanding of consumer decisions as well as those of marketing executives, and to use this knowledge to help improve the quality of market decisions.

NIM fosters dialogue and cooperation with experts from academia and practice, as well as innovators and start-ups with a particular interest in market decisions and market insights. The institute shares and discusses its research results with its members and the professional public through publications, conferences, and lectures.



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About the St. Gallen Symposium

The St. Gallen Symposium is one of the world's leading initiatives for cross-generational dialogue on economic, political, and social developments. For more than 50 years, established leaders and visionaries have been brought together with extraordinary talents in St. Gallen and at global locations, as well as in digital formats. Together, they address the chances and challenges of our time and work on finding solutions. The symposium is a student initiative. Under the strategic guidance of the St. Gallen Foundation for International Studies, the International Students' Committee – a team comprised of about 30 students from the University of St. Gallen (HSG) – drives the dialogue between generations. The Leaders of Tomorrow are a carefully selected, global community of the most promising young talents. Each year, 200 academics, politicians, entrepreneurs, and professionals aged 30 years or younger represent the voices of the next generation at the St. Gallen Symposium. Leaders of Tomorrow qualify either through a Global Essay Competition aimed at graduate or post-graduate students, or they attend based on their professional or academic merit through a strict nomination and hand-selection process. After the symposium, they join the Leaders of Tomorrow Alumni Community, which has over 1,500 members worldwide.



St. Gallen Symposium

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Intergenerational solidarity and responsibility are at the core of the Brundtland Commission's definition of sustainable development, which aims to meet the needs of the present generation without compromising the ability of generations to come to meet their own needs. But how strongly do the generations of leaders feel committed and bound to each other?

INTERGENERATIONAL SOLIDARITY FOR A SUSTAINABLE FUTURE MAY NOT BE AS CERTAIN AS WE THOUGHT



In 2022, for the 50th anniversary of “The Limits to Growth” (1972), the St. Gallen Symposium and the Club of Rome launched a joint initiative – “A New Generational Contract” to foster dialogue and, subsequently, encourage actions that put intergenerational fairness firmly at the center of decisions taken during “our time.”



<https://symposium.org/new-generational-contract/>

The world is currently facing an acceleration of long-term challenges that will shape the world for future generations, most notably the increasingly apparent climate crisis and its consequences such as biodiversity loss and extreme weather phenomena. The latest report on climate change by the Intergovernmental Panel on Climate Change (IPCC)¹, the United Nations’ body for assessing the science behind climate change, warns that human activity has already caused irreversible and catastrophic climate change. To limit further damage to the planet, the world needs to rapidly and significantly reduce greenhouse gas emissions and commit to a deep and lasting transformation toward a sustainable future.

For a successful transformation toward a more sustainable future, all generations must work together. As early as 1987, the United Nations Brundtland Commission defined sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”²

For some time now, we have assumed that basic intergenerational solidarity is a given. One of the responsibilities of the older generations

was that they would pass on to the young generations a world that was not worse than the one they inherited – an objective that seems especially challenging in the face of today’s environmental, economic, and social crises.

This year’s **Voices of the Leaders of Tomorrow Report** shines a light on the challenges and opportunities of current inter- and intragenerational dynamics in the context of the sustainability debate. To help bridge divides and inform and inspire discourse and leadership in this time of great uncertainty, our study brings together the voices of both the **Leaders of Tomorrow** from the St. Gallen Symposium network and the **Leaders of Today**, senior executives who are 50 years or older from large corporations.

This report aims to analyze the tensions between and among generations of leaders when it comes to the big sustainability questions of our time: What is hindering progress toward a sustainable future, and what could be the common ground for intergenerational cooperation? Understanding these tensions will help to build a foundation for today’s managers and policymakers to address these challenges and, by doing so, to start building a sustainable future for all generations to come.

¹ IPCC (2023): AR6 Synthesis Report: Climate Change 2023

² WCED (1987): Report of the World Commission on Environment and Development: Our Common Future

KEY INSIGHTS

THE GENERATIONS OF LEADERS DISAGREE ON THE URGENCY, SEVERITY, AND ROOT CAUSE OF THE CLIMATE CRISIS.

26%

Only 26% of the Leaders of Tomorrow believe that the two generations share the same assessment of the severity of the consequences of the climate crisis. In contrast, **77% of the Leaders of Today** believe in a shared assessment. A similarly drastic contrast exists between the different generations regarding a shared sense of urgency (36% vs. 85%, respectively).

77%

LEADERS OF TOMORROW BLAME THE OLDER GENERATION FOR A LACK OF ACTION AND COMPLAIN ABOUT UNFAIR DISTRIBUTION OF POWER AND RESPONSIBILITY BETWEEN THE GENERATIONS.

27%

Only 27% of the Leaders of Tomorrow (but **87% of the Leaders of Today**) claim that the older generation of business leaders is willing to take the necessary actions for sustainable transformation, even though they consider them capable of doing so. In addition, they do not believe that the weight of decisions affecting the future is fairly distributed between the generations.

87%

LEADERS OF TOMORROW DEMAND PROFOUND AND SWIFT CHANGE IN ECONOMIC AND POLITICAL SYSTEMS.

57%

57% of the Leaders of Tomorrow state that the necessary steps for the sustainable transformation of the economy can only be implemented in a new and different economic and political system. **The Leaders of Today**, who still tend to believe in the existing system, seem to be more likely to call for caution and more thoughtful action so as not to jeopardize it. Therefore, only **20% of them** agree with such a statement.

20%

THE LEADERS OF TOMORROW ARE SPLIT DOWN THE MIDDLE ON JUST HOW RADICAL CLIMATE ACTIONS SHOULD BE – AND WHETHER LAWS AND RULES SHOULD BE RESPECTED IN THIS STRUGGLE.

47%

47% of the Leaders of Tomorrow believe that it is acceptable to defy existing rules and laws to accelerate sustainable transformation, leading to a nearly 50/50 split on the question of how radical or moderate measures for sustainable solutions should be. In contrast, today's leaders clearly agree on moderate measures.

8%

BRIDGING THE GENERATIONAL DIVIDE: EVEN LEADERS OF TODAY ARE CALLING FOR MORE RULES AND REGULATION IN THE INTEREST OF SUSTAINABILITY.

69%

69% of the Leaders of Tomorrow and **90% of the Leaders of Today** believe that rules and market regulation are more likely to drive sustainable change in the economy, as opposed to relying on the free market and voluntary changes in behavior.

90%

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Our study reveals fundamental frictions between the Leaders of Tomorrow and the older generation of leaders in addressing the challenges of climate change and sustainable transformation. How urgent and severe is climate change? And how radical do the solutions need to be?

THE STRUGGLE FOR SUSTAINABLE TRANSFORMATION

TENSIONS BETWEEN AND WITHIN GENERATIONS OF LEADERS

Climate change is one of the most pressing global challenges of our time. Although it is widely recognized as a serious threat to the future of our planet and the long-term survival of humanity, opinions on how to address it differ. The following chapter presents our analysis of the interviews we conducted with the Leaders of Tomorrow and the Leaders of Today regarding their views on the sustainable transformation of the economy, businesses, and society.

The results are presented in the context of two underlying tensions that were discovered and that capture the most significant insights, highlighting the main themes that emerged from the interviews. They provide a vivid portrayal of the diverse perspectives and experiences of the Leaders of Tomorrow and Leaders of Today.

Tensions Between the Generations of Leaders

Our study reveals several underlying disagreements between the younger (under 35) and older (over 50) generations of leaders in their basic analysis of the challenges and opportunities posed by climate change and sustainable transformation. How urgent and severe an issue is climate change? Who is to blame for the perceived lack of action until now? And accordingly, just how radical do the solutions need to be?

Tensions Within the Leaders of Tomorrow

Additionally, our study highlights a fundamental conflict among the Leaders of Tomorrow regarding the extent to which radical actions are deemed necessary to bring about a sustainable transformation, including actions within governments, the business world, and society at large. This tension between radical and moderate solutions reflects the broader societal debate on how to address the climate crisis.



The results are presented in the context of two underlying tensions that were discovered and that capture the most significant insights, highlighting the main themes that emerged from the interviews.



TENSIONS BETWEEN THE GENERATIONS OF LEADERS

The two groups disagree on both the urgency and the severity of the crisis, leading to finger-pointing and the young leaders blaming the older generation for their inaction. Additionally, they have remarkably different ideas of how drastic the measures for promoting sustainable change should actually be.

Intergenerational Solidarity and Responsibility is in Jeopardy

Intergenerational solidarity and responsibility are at the core of the Brundtland Commission's definition of sustainable development, the essence of which is meeting the needs of the present generation without compromising the ability of future generations to meet their own needs. But to what extent do the different generations of leaders feel committed and bound to each other?

Our study examined the perception of an intergenerational contract – an unwritten agreement between generations that assumes that the young and old depend on each other and are bound by mutual responsibilities – among both the Leaders of Today and the Leaders of Tomorrow. The results indicate that there is only a minority in both groups who believe that such a contract already exists. Interestingly, the older Leaders in our study appear to be even less convinced than

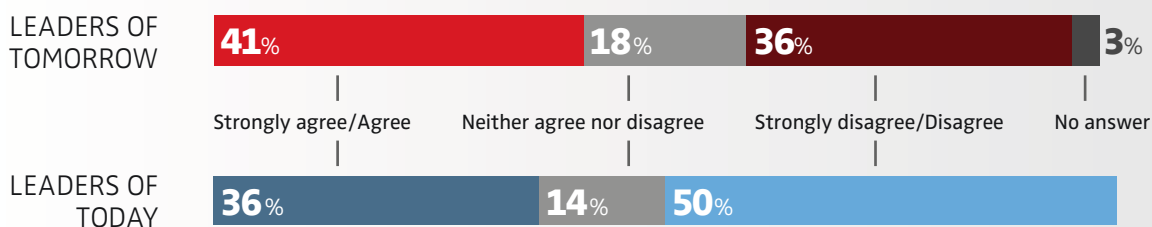
the younger generation: Only 36% of the Leaders of Today answered "Agree" or "Strongly Agree," while 41% of the Leaders of Tomorrow agreed with the statement below.

The lack of belief in the existence of a generational contract could indicate a weak sense of responsibility and solidarity between generations. This finding has significant implications for sustainable transformation. The challenges arising from the climate crisis are intergenerational in nature because they affect the future of all generations to come. Thus, a shared responsibility and mutual obligation between generations seems crucial for addressing the long-term challenges of sustainable transformation.

The big question resulting from this is the following: How can the Leaders of Today and the Leaders of Tomorrow work productively toward a common goal?

SOCIETIES ARE LACKING AN ESTABLISHED INTERGENERATIONAL CONTRACT FOR BOTH GENERATIONS OF LEADERS

In the country where I live, there exists something akin to a generational contract – an unwritten contract between generations stating that the young and old depend on each other and are bound by mutual obligations.



n = 762 Leaders of Tomorrow / n = 300 Leaders of Today | Numbers are percentages
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Disagreement on the Urgency and Severity of the Climate Crisis Between Generations

From the perspective of tomorrow's leaders, there is a significant difference in the perception of the climate crisis between their generation and older generations.

The younger generation of leaders does not believe that both generations generally have the same perception of the severity of the consequences of the crisis and the urgency of action required to mitigate it. However, most of the older generation of leaders in our study tends to believe that the generations share the same assessment of the climate crisis. In sum, the two generations of leaders in our sample do not even agree on whether they agree or disagree.

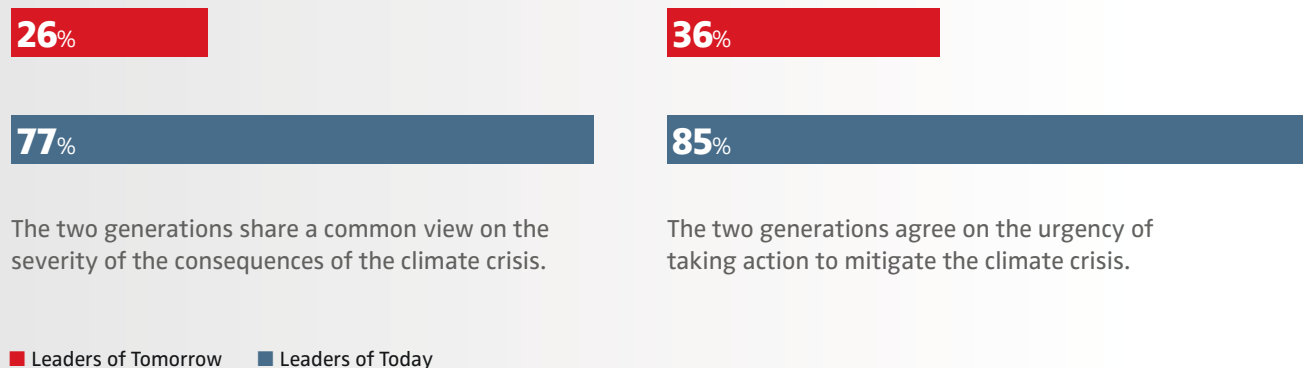
The question arises as to why only the younger generation sees a generational conflict whereas today's leaders tend to see a harmony. On the one hand, this finding can be seen as an indication of the actual disparity between the perceptions of the severity and urgency of

climate change between the Leaders of Tomorrow and the Leaders of Today. The different perspectives and experiences of each generation may lead to differing views on the urgency and severity of the crisis. Although younger leaders might be more exposed to the potential impacts of climate change, older leaders may have experienced other pressing issues in their lifetimes that influence their perception of the climate crisis.

On the other hand, there may also be a communication gap: The older generation of leaders may assume that younger leaders share their perspective without fully understanding the concerns and priorities of the younger generation. Recognizing and addressing this perceived disparity between generations is a prerequisite to bridging the generation gap and therefore crucial for fostering intergenerational dialogue, cooperation, and effective climate action.

FROM THE PERSPECTIVE OF THE LEADERS OF TOMORROW, THE GENERATIONS DO NOT SHARE A COMMON VIEW OF THE SEVERITY OF THE CLIMATE CRISIS AND THE URGENCY TO ACT

Do old and young generations agree on the urgency and severity of the climate crisis?



n = 762 Leaders of Tomorrow | n = 300 Leaders of Today | Numbers are percentages of cases with answers "agree" and "strongly agree"
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20%

A remarkably high 20% of the Leaders of Today believe that natural patterns are the main cause of climate change.

It will be difficult to find common ground in terms of the perception of the climate crisis if there is no common view on the root causes of climate change. Scientific knowledge about climate change must be the basis for all sides. However, our study is not encouraging in this respect:

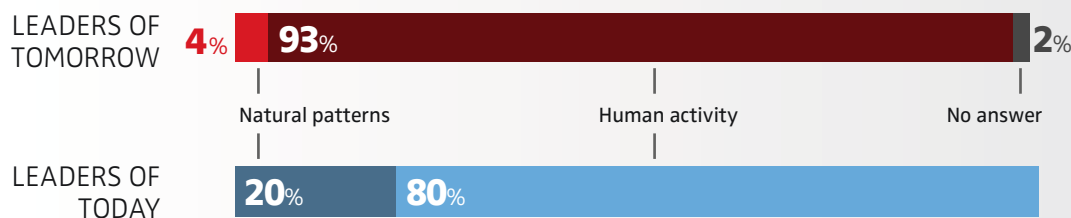
Although we found that the Leaders of Tomorrow share the common understanding that climate change is mainly caused by human actions, **a remarkably high 20% of older top executives (Leaders of Today) believe that natural patterns are the main cause of climate change.** This lack of consensus on the root causes of the problem is concerning and could impede progress on addressing it. What is particularly surprising about this finding is that our study only includes high-level executives from the older generation, suggesting that a lack of education or access to information are unlikely to be a significant factor in this disparity concerning the attribution of the

root causes of climate change. **However, most climate skeptics (85%) in our study were based in North America, suggesting that local and cultural disparities should not be overlooked.** Given the reach and impact that companies from that region have in terms of their climate footprint, this finding can be seen as especially concerning.

How can the generations effectively collaborate on a solution if they do not even agree on the cause, severity, and urgency of the underlying problem? The positions of different stakeholders – and in this case generations of leaders – are likely to be irreconcilable if the causes of the challenges and the perception of the consequences are not agreed upon as a common ground. Before concrete measures for sustainable transformation are discussed, the assumptions and hypotheses of the various stakeholders should be clear, and a common understanding must prevail.

THE LEADERS OF TOMORROW AND AT LEAST MOST OF THE LEADERS OF TODAY SHARE THE COMMON UNDERSTANDING THAT CLIMATE CHANGE IS MAINLY CAUSED BY HUMAN ACTIONS

What do you think is the main cause of climate change?



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The Leaders of Tomorrow Blame the Older Generation for Their Lack of Action

We uncovered a large divergence in perception between the younger and older generations of leaders regarding their willingness to give up climate-damaging comforts. **The majority of the Leaders of Tomorrow believe that the older generation in general is slowing down the pace of sustainability transformation** due to their unwillingness to make such sacrifices. Not very surprisingly, the vast majority of the Leaders of Today in the study did not share this view: Just 4% of the Leaders of Today agreed with this statement. More specifically, in terms of the sustainability transformation of businesses, our study found that **the Leaders of Tomorrow hold the older generations responsible for not doing enough**. Although young leaders believe that the Leaders of Today have the ability to identify and understand global challenges and lead the sustainable transformation of their organizations, they do not consider them willing to take the necessary action.

These findings again highlight the presence of intergenerational tensions and indicate that there is a perceived disconnect between the younger and older generations regarding their willingness to make sacrifices for sustainable transformation. It is even more problematic – and might cause frustration among the Leaders of Tomorrow – that they consider current leaders capable of understanding global challenges and having the power to address them. Understanding these different perceptions and being aware of their implications for intergenerational collaboration is critical to fostering effective cooperation. Overcoming these perception gaps can help create a more cohesive approach to achieving a sustainable future for all generations involved. However, this must be a two-way process involving both generations. At worst, pointing the finger at the other generation and blaming them for the fact that change has not yet succeeded or come about can lead to paralysis and inaction.

56%

of the Leaders of Tomorrow agree that the older generation is slowing down the necessary sustainability transformation.

THE LEADERS OF TOMORROW BLAME THE OLDER GENERATION FOR BEING UNWILLING TO ACT ON THE CLIMATE CRISIS

The older generation is slowing down the necessary transformation to sustainability because people from that generation are unwilling to give up climate-damaging comforts.



The older generation of business leaders are willing to take the necessary actions for the sustainable transformation of businesses.



The older generation of business leaders have the capability to lead the sustainable transformation of their organizations.



The older generation of business leaders have the capability to recognize and understand global challenges.



■ Strongly agree/Agree ■ Neither agree nor disagree ■ Strongly disagree/Disagree ■ No answer

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Leaders of Tomorrow Don't See Generations Fairly Represented in Decisions about the Future

The Leaders of Tomorrow express concern about the fair representation of the perspectives of both generations and the distribution of power among generations. According to our study, 66% of Leaders of Tomorrow believe that the power to make decisions about important issues that affect the future is not fairly distributed between generations. Similarly, 62% and 69% of the Leaders of Tomorrow feel that the perspectives of both generations are not fairly represented in business and political decisions, respectively. In contrast, the vast majority of Leaders of Today believes that power and responsibility are distributed fairly.

These findings highlight a gap between current and future leaders' perceptions of the fair distribution of power and responsibility between generations. Young leaders may feel that their generation has no place at the decision-making table. If this ultimately leads to feelings of powerlessness and frustration, then yet another obstacle stands in the way of intergenerational collaboration. To encourage collective action, both generations should develop a sense of self-efficacy to contribute to the necessary changes and not just watch from the sidelines.



These findings highlight a gap between current and future leaders' perceptions of the fair distribution of power and responsibility.

THE LEADERS OF TOMORROW EXPRESS CONCERN ABOUT THE FAIR REPRESENTATION OF THE PERSPECTIVES OF BOTH GENERATIONS AND THE DISTRIBUTION OF POWER AMONG GENERATIONS.

The power to decide on actions that could be decisive for the future of humanity is fairly distributed between generations.



In general, the perspectives of both generations are fairly represented in the decisions of businesses.



In general, the perspectives of both generations are fairly represented in political decisions.



■ Strongly agree/Agree ■ Neither agree nor disagree ■ Strongly disagree/Disagree ■ No answer

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In Dubio Pro Sustainability: Leaders of Tomorrow Demand Profound Change in Economic and Political Systems

In our study, we found profound differences in the assessment of realistic sustainable transformation within the established economic and political systems. Although the older generation of leaders believe that such a transformation is possible within the current economic and political system, the Leaders of Tomorrow demand more profound change – quickly and, if necessary, without regard for individual property and civil liberties.

Many of the younger leaders believe that the current economic and political system needs reform in order to achieve sustainable transformation. In fact, **57% of the Leaders of Tomorrow in our study state that the necessary steps for a sustainable transformation of the economy can only be implemented in a new and different economic and political system.** This is a strong statement, indicating their lack of confidence in the current system's willingness and ability to change and their desire for fundamental change. In contrast, the

majority of the Leaders of Today (80%) believe that the necessary steps for sustainable transformation can be implemented within the current economic and political system.

Also, the necessary speed of action for sustainable transformation is a major source of disagreement between the two generations of leaders in our study. Many of the Leaders of Tomorrow tend to support a quick sustainability transformation, even at the cost of initially losing prosperity and growth while the majority of the Leaders of Today prefer a slow transformation that does not jeopardize economic growth. These findings fit seamlessly with the previously obtained results: The Leaders of Today, who still tend to believe in the existing system, seem to be more likely to call for caution and more thoughtful action so as not to jeopardize that system while future leaders, who for the most part do not believe in the current system, do not shy away from rapid and potentially costly changes.



Many of the younger leaders believe that the current economic and political system needs reform in order to achieve sustainable transformation.

MANY LEADERS OF TOMORROW DEMAND A NEW AND DIFFERENT ECONOMIC AND POLITICAL SYSTEM

Agreement with Pole 1

The necessary steps for a sustainable transformation of the economy can be implemented within the current economic and political system.

LEADERS OF TOMORROW

43%

57%

LEADERS OF TODAY

80%

20%

Agreement with Pole 2

The necessary steps for a sustainable transformation of the economy can only be implemented in a new, different economic and political system.

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THE NECESSARY SPEED OF ACTION FOR SUSTAINABLE TRANSFORMATION IS A MAJOR SOURCE OF DISAGREEMENT BETWEEN THE GENERATIONS OF LEADERS

Agreement with Pole 1

The sustainable transformation of the economy must take place slowly so as not to jeopardize the growth of the economy.

LEADERS OF TOMORROW



LEADERS OF TODAY



Agreement with Pole 2

The sustainable transformation of the economy must happen quickly, even if it costs growth and prosperity, at least initially.

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Another point of contention is individual rights and their importance in the face of potential climate effects. Although an overwhelming 98% of the Leaders of Today reject any restriction of personal rights and freedoms, most of their younger counterparts disagree. **In our study, 58% of the Leaders of Tomorrow prioritize sustainable transformation even if it means cutting down on property rights or freedom of contract.** This shows how seriously many of the young potential leaders take the sustainability transformation. In addition, it indicates that a large proportion of the Leaders of Tomorrow do not shy away from radical and drastic measures for fostering that transformation.

The different perceptions of the current and future generations of leaders regarding the need to transform the economic and political system, the required pace of change, and the possible sacrifices of short-term economic gains and even individual rights indicate a deep divide between the generations' values. Such a gap in values and beliefs can have far-reaching consequences for decision-making and actions concerning sustainable transformation. For business leaders and policy makers, it is essential to know and understand these diverging perspectives because they might lead to different reactions to economic and political decisions.

IN STARK CONTRAST TO THE LEADERS OF TODAY, MANY LEADERS OF TOMORROW PRIORITIZE SUSTAINABLE TRANSFORMATION EVEN IF IT MEANS CUTTING DOWN ON PROPERTY RIGHTS OR FREEDOM OF CONTRACT

Agreement with Pole 1

In case of doubt, the preservation of individual rights such as property rights or freedom of contract is more important than measures for the sustainable transformation of society and economy.

LEADERS OF TOMORROW



LEADERS OF TODAY



Agreement with Pole 2

In case of doubt, measures for the sustainable transformation of society and economy are more important than individual rights such as property rights or freedom of contract.

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THE ORIGINAL VOICES OF THE LEADERS OF TOMORROW



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To tackle indecisiveness among Leaders of Today, more radical means could include implementing strict personal accountability measures, such as holding executives legally responsible for environmental damages caused by their companies.

Petter, 28, Norway, Climatech Entrepreneur



"I believe that governments play a crucial role in facilitating the sustainable transformation of businesses. [...] Governments can provide financial incentives, such as tax breaks, grants, or low-interest loans, to businesses that implement sustainable practices or invest in green technologies. These incentives can help offset the initial costs of transitioning to more sustainable ops."

Jamal, 28, USA, Social Entrepreneur & Paralympic Swimmer



"It's a complex and emotional topic that shouldn't be about pointing fingers on individuals. I would like to see cross-border regulations that allow little leeway or gray areas from the outset. In addition, I would introduce higher penalties for non-compliance."

Cathrin, 26, Switzerland, Casualty Specialist Reinsurance



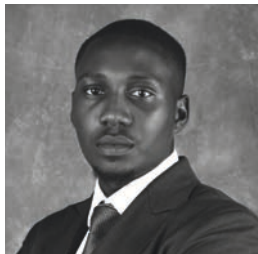
"I believe that there is no direct correlation between growth and happiness. Therefore, if we shift our focus towards measuring happiness instead of solely prioritizing growth, we may be able to reduce many of the underlying causes of our environmental problems."

Gael, 23, Cote d'Ivoire, Social Entrepreneur



"Leaders today show little commitment to solving problems arising from the climate crisis due to differences in generational perspectives, pressure from interest groups, reluctance to make difficult decisions, and political polarization. It requires prioritizing environmental concerns over short-term economic interests, and a long-term commitment to ensure a sustainable future."

Halvor, 27, Norway, Management Consultant, Serial Entrepreneur



"Setting up policies by the international and national bodies to make climate crisis advocacy a compulsory act in the business economy. This will indicate a default contribution to reducing the climate crisis."

Kwasi, 29, Ghana, Social Entrepreneur



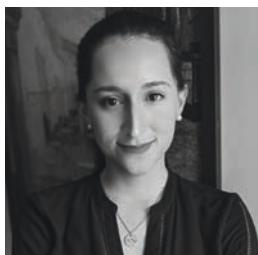
"The climate crisis is not a burden my generation chose, but one we must carry if we do not want to pass it on to our own children. Yet it weighs heavily, sometimes exceeding the capacity of what we can feel before we go numb."

Frankie, 25, Switzerland, Social Entrepreneur



"Countries from the global north and south shall make a long-standing commitment to adopt cleaner energy sources. A desirable new economic system is the one which incentivizes the transition of renewable energy worldwide, according to each one's capacity."

Bianca, 29, Mexico, Human Rights & Anti-Corruption Legal Researcher and Practitioner



"[L]eaders of today were 'socialized' in a time where immediate political gains or economic interests were prioritized over the long-term goal of addressing climate change. They still may not fully comprehend the gravity of the climate crisis and the urgency of taking action immediately."

Mara, 27, Luxembourg, Social Entrepreneur



"The first step must be the governmental commitment and the adoption of a sustainable approach as one of the main rules and then diffuse it into the economic level in order to shape a sustainable transformation."

Sara, 24, Morocco, Project Manager, Youth Organization (ACT)

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The lack of commitment by the Leaders of Today to address the climate crisis is partly due to the lack of immediate economic consequences. In fact, a commitment to environmental action would require many companies and institutions to fundamentally change their business model and operations.

Elizabeth, 29, Japan, President and Co-Founder, Community Organization



TENSIONS WITHIN THE LEADERS OF TOMORROW

Tomorrow's leaders agree that decisive action is necessary for sustainable transformation. However, they are torn within their own generation on just how radical those actions should be and how much they may interfere with established freedoms.

Our study reveals a fundamental conflict among the Leaders of Tomorrow regarding the extent to which radical actions are required to bring about a sustainable transformation. This tension between radical and moderate actions reflects a broader societal debate on how to address the climate crisis. Climate activists and advocates of radical environmentalism like The Last Generation or Extinction Rebellion demand immediate and comprehensive reforms for the transition to a green economy and carry out radical protest actions. They see radical protest, such as sticking themselves to roads, blocking traffic, or even occupying parliaments, as a legitimate form of protest. On the other hand, those who advocate for moderate solutions argue that a more incremental approach is necessary and that we need to work within the existing system to achieve meaningful progress. They believe that radical actions are impractical – or even obstructive – and will lead to economic and social disruption, which could undermine support for addressing climate change.

When asked to take a stance on the radicality of action, the young leaders appear more or less split down the middle. A sizable portion of the Leaders of Tomorrow are comfortable with radical solutions and would even accept disregarding laws and rules to advance the overarching goal of sustainable transformation. Another portion is more moderate – and thus in line with the older top executives in

our study who prefer moderate solutions within the given framework of laws and regulations and reject radical forms of protest.

In more detail, 52% of the Leaders of Tomorrow believe that activist groups like Extinction Rebellion or The Last Generation are *too radical*, while 48% think that they are *not radical enough*. Fifty-one percent believe that radical protest actions *hurt* society's transformation, while 49% believe that *only* radical protest actions will be successful in accelerating transformation. **Most surprisingly, about 47% think that it is acceptable to defy existing rules and laws to accelerate the sustainable transformation of society and the economy. Still, 53% believe it is important to work toward a solution strictly within the framework of law and justice.**



The Leaders of Tomorrow find themselves in a dilemma that involves weighing the urgency of climate action against the potential consequences of disregarding established rules and norms.

LEADERS OF TOMORROW APPEAR MORE OR LESS SPLIT DOWN THE MIDDLE REGARDING THE RADICALITY OF ACTIONS

Agreement with Pole 1

Activist groups like “Extinction Rebellion” or “The Last Generation” are too radical.

52%

Radical protest actions hurt society’s transformation towards more sustainable lifestyles and consumption.

51%

Even in view of the global challenges posed by the climate crisis, it is important to work only within the framework of law and justice toward achieving a sustainable transformation of the economy and society.

53%

n = 762 Leaders of Tomorrow | Numbers are percentages of valid cases
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Voices of the Leaders of Tomorrow 2023

Agreement with Pole 2

Activist groups like “Extinction Rebellion” or “The Last Generation” are not radical enough.

48%

Only radical protest actions will be successful at this point to accelerate society’s transformation towards more sustainable lifestyles and consumption behaviors.

49%

Given the global challenges posed by the climate crisis, it is also okay for individuals to defy existing rules and laws in order to accelerate the sustainable transformation of society and the economy.

47%

These findings suggest that the Leaders of Tomorrow are torn between a radical and a moderate approach to addressing climate change, with no clear majority for either option. They may agree on the urgency and severity of the climate crisis and share a resolve to tackle it but are split on the question of how and what actions for fostering sustainable transformation are appropriate and permissible. The Leaders of Tomorrow find themselves in a dilemma that involves weighing the urgency of climate action against the potential consequences of disregarding established rules and norms. On the one hand, some may argue that breaking rules is necessary to achieve the urgent and significant changes needed to address climate change. On the other hand, opponents argue that breaking laws or norms can lead to social and economic disruption, potentially undermining support for climate action.

The moral dilemma of who gets to flout rules and for what reasons in the pursuit of sustainable transformation is complex and multi-layered – and there are no definitive answers because its resolution depends on the ethical principles that are given primacy. It is important to acknowledge the differing opinions among future leaders, with nearly half supporting drastic actions to enforce sustainable change. To avoid further social division and polarization and to promote cohesion, today’s leaders should prioritize value-based discussions, engage in open and respectful dialogue, and seek common ground among differing perspectives. By fostering an environment where divergent viewpoints can be openly discussed and common values can be identified, it may be possible to address potential conflicts and work toward a more unified approach for addressing climate change and fostering a sustainable future for all.

BRIDGING THE GENERATIONAL DIVIDE

EVEN LEADERS OF TODAY ARE CALLING FOR MORE RULES AND REGULATIONS IN THE INTEREST OF SUSTAINABILITY

Despite the differences in opinion between the Leaders of Tomorrow and the Leaders of Today, our study found some surprising common ground between them. **Majorities of both the Leaders of Today (90%) and the Leaders of Tomorrow (69%) believe that rules and market regulations are more likely to drive sustainable change in the economy, as opposed to relying on the free market and voluntary changes in behavior.**

It is startling that the Leaders of Today – senior managers drawn from large global corporations – believe that sustainable change in the economy calls for rules and market regulation rather than reliance on the free market and voluntary changes. It signals the realization that, at least with regard to sustainability and the long-term welfare of humanity, the incentives set by free market dynamics may be part of the problem rather than the solution. Thus, in the face of the tensions between the generations, this finding suggests a welcome opportunity for collaboration between them.

This finding has important implications for understanding the perceived role of governments in driving the sustainable transformation of the economy. If rules and market regulations are indeed viewed as a potential means to achieve

sustainability, it suggests that there is an expectation for governments to play a more active and central role in shaping policies and setting standards. This could indicate that stakeholders, such as businesses and civil society, may be more open to government intervention in terms of addressing market failures and implementing effective regulations that align economic activities with sustainability goals.

Overall, this insight highlights the perceived significance of effective and forward-thinking governmental leadership in facilitating the transition to a sustainable economy, even if there is still a need to further explore and discuss the appropriate balance between market-based approaches and regulatory interventions.

However, when asked about the biggest obstacles to achieving sustainability in their countries, both generations identified the political system as a major obstacle. Specifically, they mentioned the lack of incentives for politicians to prioritize sustainability, even if it costs them voters, and the lack of consensus within governments and the political system in general to prioritize sustainability.

This apparent tension between a call for more political intervention and naming the political system the major obstacle

MAJORITIES OF BOTH GENERATIONS OF LEADERS CALL FOR MORE RULES AND MARKET REGULATIONS IN THE INTEREST OF SUSTAINABILITY

Agreement
with Pole 1

Sustainable change in the economy is more likely to be achieved through rules and market regulation.

LEADERS OF TOMORROW

69%

31%

LEADERS OF TODAY

90%

10%

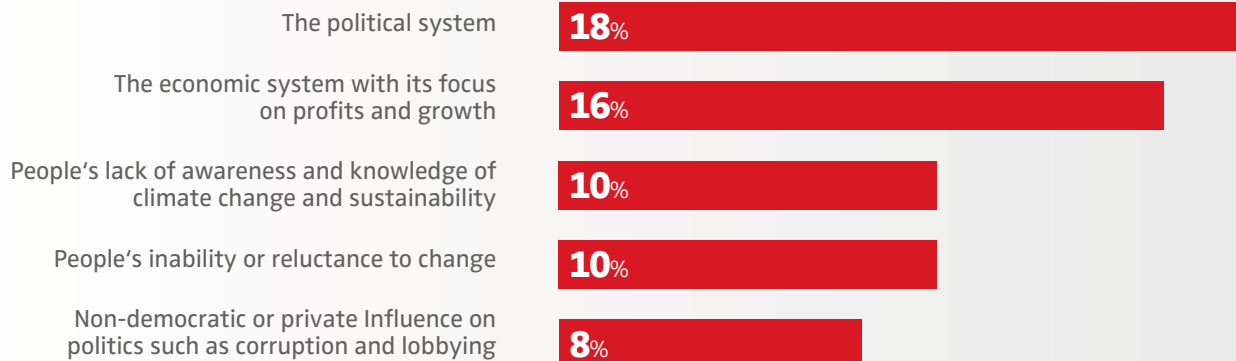
Agreement
with Pole 2

Sustainable change in the economy is more likely to be achieved through the free market and voluntary changes in behavior.

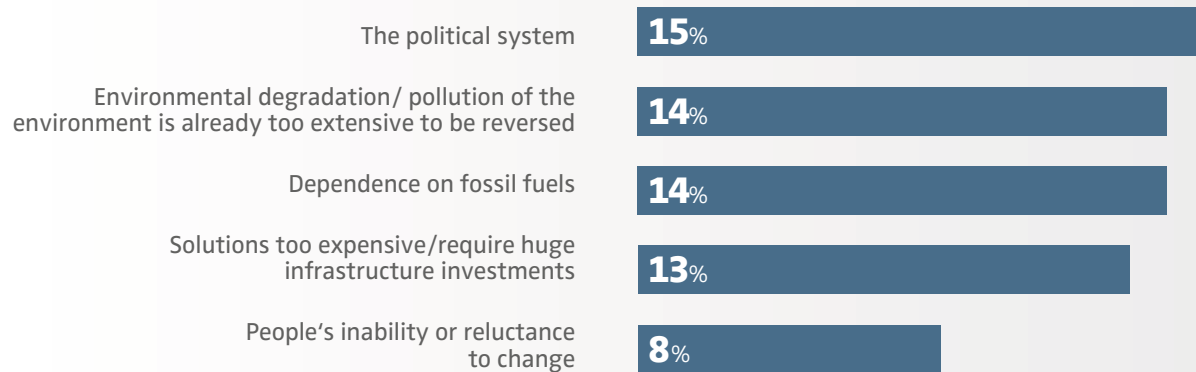
n = 762 Leaders of Tomorrow / n = 300 Leaders of Today | Numbers are percentages of valid cases
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TOP FIVE OBSTACLES TO SUSTAINABLE CHANGE

LEADERS OF TOMORROW



LEADERS OF TODAY



n = 762 Leaders of Tomorrow / n = 300 Leaders of Today | Numbers are percentages
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to sustainable transformation highlights the complexities involved in navigating the transformation process within the current political landscape. It suggests that there may be a perceived disconnect between the potential of government-led initiatives to drive sustainable change and the ability of the current political systems to effectively support and implement such measures. These findings could also indicate a need for further research into ways of bridging the gap between the perceived potential of government-driven sustainable transformation and the barriers that may be preventing progress. Although there are some differences in the two generations' lists of top obstacles, which probably reflect differences in the experiences and perspectives of the two groups as well as their different roles in society and the economy, there is another interesting similarity: Besides the political system, both generations included people's inability or reluctance to change in their list of obstacles. This obstacle may arise from

various sources, such as established habits, cultural norms, resistance to novel ideas or technologies, and limited understanding of the consequences of unsustainable practices. **The inclusion of everyone in the sustainable transformation is of paramount importance because individuals, in their role as consumers, hold significant power in determining the success of market offerings.** People's decisions on what they consume directly impact the demand for products and services, thus influencing businesses in how they adapt their practices and align with sustainable development goals. The reluctance to change can potentially hinder the adoption of sustainable behaviors and the acceptance of innovative solutions that are necessary for making progress toward a more sustainable future. Further research aiming for a deeper understanding of the factors influencing consumer behavior and decision-making processes can help develop targeted strategies for promoting sustainable consumption.

CONCLUSION AND OUTLOOK

Achieving a sustainable future requires intergenerational cooperation and solidarity, which has long been assumed to be a given. However, the latest Voices of the Leaders of Tomorrow Report challenges this assumption. **We interviewed leaders from two generations – including 762 Leaders of Tomorrow**, young talents under 35 who are eager to shape the future, and **300 Leaders of Today**, senior executives aged 50 and older from large corporations. Our findings shed light on the divergent understanding of climate action between the two generations of leaders, the urgency that younger leaders attach to the issue, and potential solutions to bridge the generational divide and promote effective sustainability strategies. In this concluding chapter, we bring together the key findings from our study and discuss their implications for building a sustainable future for all generations to come.

Overall, the conditions for intergenerational cooperation for sustainable transformation are not ideal. Our findings suggest a weak sense of solidarity and mutual responsibility between generations, with only a minority of leaders from both generations believing in the existence of a generational contract featuring mutual obligations.

What hinders progress toward a sustainable future?

Our study revealed some fundamental tensions between the different generations of

leaders, but also among the Leaders of Tomorrow, when it comes to their views on intergenerational collaboration and the right ways to shape sustainable transformation:

1. The two generations disagree on many of the basic aspects of tackling climate change – from the severity and urgency of the crisis itself to who should shoulder the blame and the necessary radicality of solutions.
2. Even within the Leaders of Tomorrow, there is a rift: Some voices call for radical actions to foster sustainable change, even if it goes beyond the current legal framework. Others are more in line with the older establishment by wanting to work within existing structures.

The generations of leaders disagree on the urgency, severity, and root causes of the climate crisis.

Our study reveals a perceived significant disagreement between the different generations of leaders on the urgency, severity, and root causes of the climate crisis. Only 26% and 36% of the Leaders of Tomorrow believe that the generations share the same assessment of the crisis's severity and urgency, respectively. Moreover, a surprisingly high share of 20% of the current leaders do not see human behavior as the root cause of climate change, thus ignoring scientific evidence.



The apparent tensions between the generations are likely to be irreconcilable if the causes of the climate crisis and the perception of the consequences are not agreed upon as a common ground.

Only
27%
 of the Leaders of Tomorrow claim that the older generation of business leaders is willing to take the necessary actions for sustainable transformation.

The apparent tensions between the generations are likely to be irreconcilable if the causes of the climate crisis and the perception of the consequences are not agreed upon as a common ground. Before concrete measures for sustainable transformation are discussed, the various stakeholders' assumptions and hypotheses should be clear, and a common understanding must prevail. The findings suggest that bridging the generational divide and promoting effective sustainability strategies requires a shared understanding of the causes, urgency, and severity of the crisis.

The Leaders of Tomorrow blame the older generation for a lack of action and complain about unfair distribution of power and responsibility between the generations.

Only 27% of the Leaders of Tomorrow claim that the older generation of business leaders is willing to take the necessary actions for sustainable transformation, even though they consider them capable of doing so. In contrast to the current leaders, the Leaders of Tomorrow do not consider the weight of decisions affecting the future to be fairly distributed between the generations.

Understanding this perception gap and its implications is critical for intergenerational collaboration. Overcoming it can create a more cohesive approach to achieving a sustainable future. This implies the need for increased dialogue and collaboration between the current

and future generations of leaders. Rather than pointing fingers or blaming one another for the lack of progress on sustainable transformation – which may lead to paralysis and inaction – both groups need to engage in open and respectful dialogue to better understand each other's perspectives and identify a common ground. This can help build trust and foster a sense of shared responsibility and power to promote collective action for achieving a sustainable future.

Leaders of Tomorrow demand profound and swift change in economic and political systems.

Fifty-seven percent of the Leaders of Tomorrow state that the necessary steps for a sustainable transformation of the economy can only be implemented in a new and different economic and political system. The Leaders of Today, who tend to still believe in the existing system, seem to be more likely to call for caution and more thoughtful action so as not to jeopardize it. Future leaders, who for the most part do not believe in the current system, call for swift action and do not shy away from possible sacrifices of short-term economic gains or even of parts of property rights or individual freedoms if it serves the good of sustainable transformation.

Decision makers need to understand that there is a great sense of urgency among the Leaders of Tomorrow and that they claim they are

57% of the Leaders of Tomorrow state that the necessary steps for a sustainable transformation of the economy can only be implemented in a new and different economic and political system.



A clear majority of both generations of leaders believe that regulations and market rules are more effective in bringing about sustainable change in the economy than relying on voluntary behavioral change in the free market.

willing to pay the initial cost of sustainability transformation. If the majority of the Leaders of Tomorrow are calling for a more radical and profound change, then business leaders and policymakers need to seriously consider the need for systemic changes to achieve sustainable transformation. This may involve a shift in mindset and challenging established economic and political systems and norms that have traditionally been resistant to change.

The Leaders of Tomorrow are split down the middle on just how radical climate actions should be – and whether laws and rules should be respected in this struggle.

Forty-seven percent of the Leaders of Tomorrow think that it is acceptable to defy existing rules and laws to accelerate the sustainable transformation of society and the economy, leading to a nearly 50/50 split among the younger generation of leaders when it comes to the question as to how radical or moderate measures for sustainable solutions should be.

To avoid further social division and polarization, and to promote cohesion, today's leaders should prioritize discussions on the

foundational values of behavior, engage in open and respectful dialogue, and seek common ground among differing perspectives. By fostering an environment where divergent viewpoints can be openly discussed, and common values can be identified, leaders may be able to address potential conflicts and work toward a more unified approach for addressing climate change and fostering a sustainable future for all.

What could be the common ground for intergenerational cooperation?

Even Leaders of Today are calling for more rules and regulation in the interest of sustainability. Significant majorities of 90% of the Leaders of Today and 69% of the Leaders of Tomorrow believe that rules and market regulations will be more effective in driving sustainable change in the economy compared to relying on voluntary changes in behavior within the free market.

This suggests that there is an expectation for governments to play a more active role in shaping policies and standards to achieve sustainability goals. However, both groups also

47%

of the Leaders of Tomorrow think that it is even acceptable to defy existing rules and laws to accelerate the sustainable transformation of society and the economy.

identified the political system as a major obstacle to sustainable transformation, citing a lack of prioritization and incentives for stakeholders to act against short-term interests. This highlights a potential field of tension and the need for further research to bridge the gap between the perceived potential of government intervention and the political barriers hindering progress.

However, this can also be interpreted as companies shifting the responsibility for promoting sustainability to politicians. In other words, business leaders may be placing more emphasis on the role of government in driving sustainable transformation rather than taking proactive steps themselves. These dynamics highlight the potential need for more collaboration and shared responsibility among governments and businesses in promoting sustainability. Although government policies and regulations can set the framework for sustainable practices, companies must also take responsibility because they play a critical role in developing innovative solutions and implementing sustainability measures. To achieve meaningful progress toward a sustainable future, it may be necessary for both parties to work together in a coordinated and proactive way.

Where does this leave us?

In the apparent absence of a clear, mutually agreed-upon intergenerational contract that naturally defines and assigns responsibilities for one generation to hand over an intact world to the next, the answer can only be dialogue. Our findings highlight the need for more intergenerational cooperation and collaborative solutions. It is crucial for society, businesses, and policymakers to recognize that agreement on fundamental issues isn't a given and instead work toward a common understanding to effectively address current intergenerational divergences. Failure to do so could lead to a lack of progress and the inability to create a sustainable future.

The time to bridge those intergenerational differences, find workable solutions, and act is now. The UN's Intergovernmental Panel on Climate Change (IPCC)'s latest report, released in March 2023, is an urgent call to action. In it, the world's leading climate experts paint a picture of our planet's hurtling toward climate catastrophe. We can still avoid disaster, but the window is closing rapidly.



Decision-makers need to understand that there is a great sense of urgency among the Leaders of Tomorrow and that they are willing to pay the initial cost of sustainability transformation.

ABOUT THE STUDY

762 Leaders of Tomorrow and 300 Leaders of Today shared their perspectives.

LEADERS OF TOMORROW

The study was targeted at the “Leaders of Tomorrow,” a carefully selected, global community of very promising young talent invited to challenge, debate, and inspire at the St. Gallen Symposium. The Leaders of Tomorrow for this report were recruited from two communities:

- **St. Gallen Global Essay Competition Participants**
For the Voices of the Leaders of Tomorrow report, students who competed in the St. Gallen Global Essay Competition were personally invited to take part in the study by the St. Gallen Symposium.
- **St. Gallen Symposium Leaders of Tomorrow Community**
The St. Gallen Symposium team selected participants from their worldwide community of young talent who attended past symposia as Leaders of Tomorrow.

LEADERS OF TODAY

This study also gave a voice to a selected sample of senior executives (C-suite level and direct reports) aged 50 or older from 38 different countries from the top 3,000 corporations with revenues of \$1.7B+ based on global rankings by revenue. Those senior executives also had the opportunity to share their perspectives on the challenges regarding intergenerational collaboration in the context of sustainable transformation. They were recruited and interviewed by Beresford Research on behalf of the Nuremberg Institute for Market Decisions. For juxtaposition in the context of this report, we refer to this group as “Leaders of Today.”

CONDUCTING THE SURVEYS

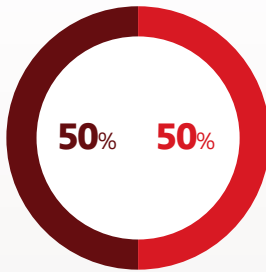
The surveys were conducted in February and March 2023. A total of 762 Leaders of Tomorrow participated online. In addition, 300 Leaders of Today were surveyed by phone with screen-sharing to make it easier to answer rating questions and oversee lists of items.

GIVING A VOICE TO A UNIQUE GROUP OF GLOBAL TALENT

This survey cannot claim to be “representative” in the traditional sense of population sampling neither of all future and current leaders in general nor of the regions in which the participants live. However, we captured a broad and international group of participants among members of the network of the St. Gallen Symposium that provides a very interesting and unique snapshot of opinions of young and qualified individuals as well as current top managers around the world. With active and very vocal participants coming from all around the world, this study can certainly give a voice to a culturally and economically diverse set of contexts from various regions and countries and from both developed and emerging or developing economies. The voices of the Leaders of Tomorrow provide valuable insights into the intergenerational dynamics of sustainability and climate change, something that is necessary for reflecting the truly global and increasingly multi-polar world in which we live.

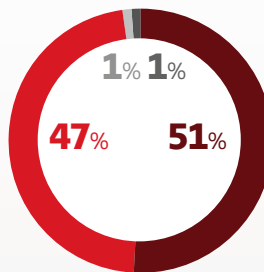
LEADERS OF TOMORROW

Recruitment



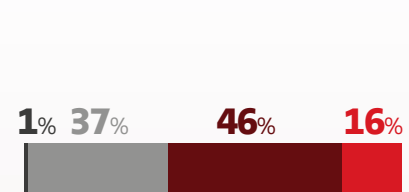
■ St. Gallen Symposium Leaders of Tomorrow Community (Alumni)
■ St. Gallen Global Essay Competition (GEC)

Gender



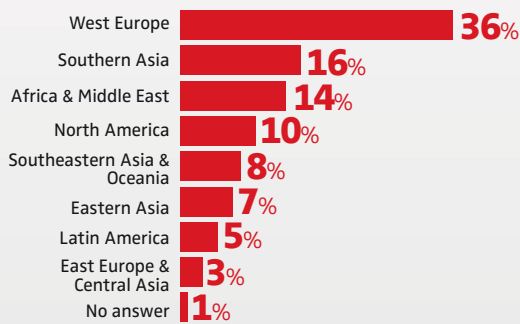
■ Male ■ Female
■ Non-binary ■ Other or Prefer not to answer

Age

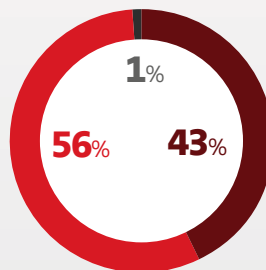


■ 18 to 20 years old ■ 21 to 25 years old
■ 26 to 30 years old ■ 31 to 35 years old

Country of Residence by UN Sub-Region

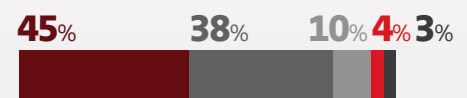


Country of Residence by OECD Status



■ OECD ■ Non-OECD ■ No answer

Employment Status

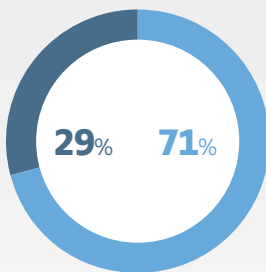


■ I am currently not working, or I am working in student jobs
■ I am employed in a paid job (not including student job)
■ I am running my own business/an entrepreneur
■ I am self-employed or a freelancer
■ No answer

n = 762 Leaders of Tomorrow © Nuremberg Institute for Market Decisions & St. Gallen Symposium: Voices of the Leaders of Tomorrow 2023

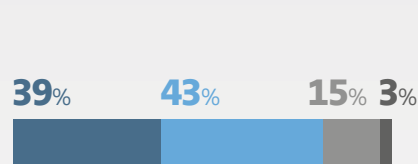
LEADERS OF TODAY

Gender



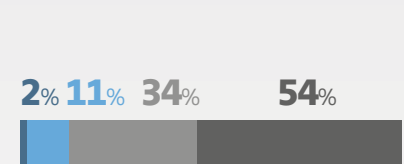
■ Male ■ Female

Age



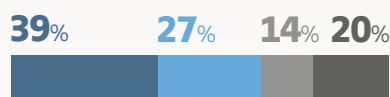
■ 50 to 55 years old
■ 56 to 60 years old
■ 61 to 65 years old
■ 66 years and older

Management Experience



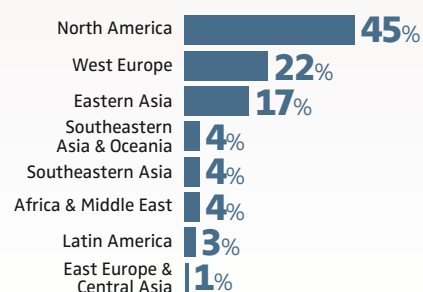
■ More than 1 year to 5 years
■ More than 5 years to 10 years
■ More than 10 years to 15 years
■ More than 15 years

Job Title

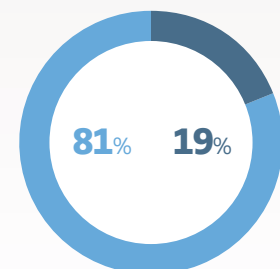


■ Directors and Senior Directors
■ Executive Vice Presidents, Senior Vice Presidents, Vice Presidents
■ Executive Managing Directors (and their Deputies)
■ C-level (CXO)

Office Location by UN Sub-Region

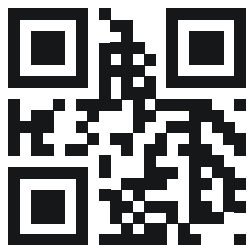


Office Location by OECD Status



■ OECD ■ Non-OECD

n = 300 Leaders of Today © Nuremberg Institute for Market Decisions & St. Gallen Symposium: Voices of the Leaders of Tomorrow 2023



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