

Transcript Translation

[Headline]

“Germany can lead the third Industrial Revolution”

[Text]

[QUESTION] Handelsblatt: Mr. Rifkin, after the change of government the economic prospects and the mood in Germany have improved. Apparently Germans are getting more optimistic. Is the exaggerated pessimism you so often complained about ending?

Jeremy Rifkin: Yes it is really good when the Germans stop with their overdone constant self-doubts. Those are embedded in them for decades.

[QUESTION] Handelsblatt: So we are not just talking about a momentary mood swing?

Jeremy Rifkin: The Germans should finally bethink of their spectacular achievements since the end of the war. I am Jewish and I was born one day before the liberation of the concentration camps in Auschwitz and Birkenau. And I especially note: Since then Germany has made spectacular achievements. No other country put itself out so much for peace. I also see no other country that is willing to share its economic and political power in such a way as Germany did within the European Union. In that sense Germany plays an important role for Europe not only as economic but especially as a moral engine.

[QUESTION] Handelsblatt: Is the Grand Coalition under Chancellor Merkel also playing this role?

Jeremy Rifkin: Merkel continues the post-war tradition of sharing. At the difficult EU-budget negotiations she made a financial sacrifice to bring France and Great Britain to an understanding. With this Merkel has given proof of her statesmanship qualities. Also during her visit in Washington she struck the right tune. She appeared disciplined and at the same time warmhearted and this was received very well in the USA.

[QUESTION] Handelsblatt: Is this also true for Merkel’s criticism of Guantanamo?

Jeremy Rifkin: Indeed. It was good and courageous that she brought up this topic. Americans don’t like it all when somebody is bowing down before them.

[QUESTION] Handelsblatt: What do you think about the criticism that Merkel excels in foreign politics but doesn’t get much going on the domestic side?

Jeremy Rifkin: After 100 days it is too early to pass a verdict on the domestic achievements of this government. One thing is clear. The Grand Coalition has the unique chance, to map out great ideas and visions and to pursue them.

[QUESTION] Handelsblatt: What would these be?

Jeremy Rifkin: I see three political key issues for the Grand Coalition: Reforms of the education system, the health care system, and finally energy policy. The energy summit scheduled for March will be in my opinion the first litmus test for this Grand Coalition.

[QUESTION] Handelsblatt: Why?

Jeremy Rifkin: Since the prices for crude oil are rising and the Russians temporarily reduced natural gas supplies during their argument with Ukraine it is obvious how vulnerable Germany is when it comes to energy supply. Yet it is in an ideal position to develop an exit strategy away from oil and natural gas towards renewable energies and hydrogen. In the third industrial revolution Germany can take the lead.

[QUESTION] Handelsblatt: These are big words...

Jeremy Rifkin: ...that I chose on purpose. Look at history. The steam engine initiated the first industrial revolution the combustion engine the second and Germany participated in both of them. In the last decades the nature of our communication changed revolutionarily through internet and computer. In energy supply we also face a new age of renewable energies and the hydrogen economy. German companies are leading in wind-power and solar energy and because of it they are very well positioned to take the technological lead on the way into the hydrogen age.

[QUESTION] Handelsblatt: But the German economy continues to bank the old sources of energy, oil, natural gas and coal.

Jeremy Rifkin: This has no future because these sources of energy cause too much damage on the environment just think about the climate effect. And they make the national economies too dependent on foreign states.

[QUESTION] Handelsblatt: What about nuclear energy?

Jeremy Rifkin: That is too expensive which is why it is highly subsidized everywhere. Furthermore the problems of transportation and waste are unsolved. Finally nuclear energy creates great security problems: Every nuclear power plant is an easy target for terrorists. Especially because of this nuclear energy has no future.

[QUESTION] Handelsblatt: Aren't Japanese Companies like Toyota in the lead with hydrogen technology?

Jeremy Rifkin: Indeed Japan becomes a serious competition here for Germany and that is astonishing. Because originally the German economy is set up better than any other for the energy change to hydrogen since it is leading in chemistry and engineering.

[QUESTION] Handelsblatt: Should politics react?

Jeremy Rifkin: I strongly advise the German government: It should agree with the key industries as fast as possible on public-private partnership projects with the goal of switching to hydrogen which is won from renewable energies. By doing so Germany can launch a worldwide boost for innovation that by the way also brings with it completely fresh potentials for new jobs.

[QUESTION] Handelsblatt: What do you recommend the Grand Coalition in regard to the reform of the health care system?

Jeremy Rifkin: The exploding health care costs have become a true killer for the international competitiveness of the German economy. These costs can and must be lowered.

[QUESTION] Handelsblatt: This seems us to be difficult because of the demographic development and the expensive medical progress.

Jeremy Rifkin: It is mostly the widely common diseases like diabetes, asthma, cardiovascular diseases, and cancer that drive the health care costs upward. We know from US-studies that we can reduce such diseases by 50 to 70 percent if people with genetically conditioned higher risk of sickness fundamentally change their way of life.

[QUESTION] Handelsblatt: This has been known for a long time yet people keep drinking and smoking.

Jeremy Rifkin: Yes because the prevention programs up to now are small-scale and halfhearted. This can be done better. Here as well government and companies have to pull together and have to approach programs for promoting health really big and all encompassing. It is about creating broad incentives for a healthy way of life from discounts on contributions for social services to free sports lessons during working hours.

[QUESTION] Handelsblatt: This costs a lot of money at first. Where shall the money come from?

Jeremy Rifkin: You have to imagine that such health programs have a fantastic rate of return for every dollar invested you can expect three to six dollars "revenue". For one thing the work productivity increases when people become healthier. An example: The USA loose annually 260 billion dollars, 4.6% of GDP through sickness conditioned losses in productivity. For another thing medical costs sink drastically.

[QUESTION] Handelsblatt: But this suggests that people really live healthier. Who shall control this?

Jeremy Rifkin: We shouldn't establish a control agency. If somebody lives healthier you find out with simple tests by measuring the blood pressure or blood sugar values. The important thing is not to punish the unhealthy life but to award the healthy one also with financial incentives.

[QUESTION] Handelsblatt: Coming to the third topic – education. Everyone invokes its meaning yet little is happening.

Jeremy Rifkin: What bothers me is something fundamental. Our system of education is based on the requirements of the early industrial age. It is bent on mass producing marketable abilities. We also grew up in the belief that we primarily pursue our own interest. But this is based on the standard of knowledge that Adam Smith, Karl Marx, and Madonna had. Materialistic being in a materialistic world. By now we know that human beings have a fundamentally different motive. We seek contact to our fellow man, want sympathy and empathy. This complies with the European dream: an inclusive society, multiculturalism and social solidarity.

[QUESTION] Handelsblatt: At least in Germany we currently have a totally different discussion: If we want to keep our standard of living we have to keep up with an increasingly qualified workforce for example from China and India.

Jeremy Rifkin: But this you can't do if you provide your children only with skills that are demanded from the market at the moment. Their personality is then too weak to adapt to the world that they will be confronted with. We have concrete experiences from the restructuring from companies: Employees which only have special skills practically collapse when these qualifications are not required any more. Because of this the primary goal of education has to be to create strong, emotionally steadfast personalities. The skills required by the labor market are only the outer shell.

[QUESTION] Handelsblatt: This may be, but let us put the solid facts against it: More and more companies from industrial states outsource high-qualified jobs, research and education to threshold countries like China.

Jeremy Rifkin: China currently experiences an artificial boom. We see 250 million Chinese in the shopping malls and are impressed what we don't see are the 950 million Chinese which aren't so lucky. There is no civil society, poverty in the countryside, increasing violence because of the hopelessness. When I look at China I see a society that can implode anytime.

[QUESTION] Handelsblatt: This doesn't make it any better, India is probably the greater challenge.

Jeremy Rifkin: This is why it is so important for Germany to be leading in the third industrial revolution. Then you have technological advances and contrary to other countries you make yourself independent from the threat of rising energy costs.

[QUESTION] Handelsblatt: These technologies German companies can develop in India as well. It's how you said it: The internet has leveled the boundaries. And in Asia an hour for an engineer is much cheaper than in Germany.

Jeremy Rifkin: This is why it is a key issue for the Federal Republic to manage the energy costs and the contributions for social services. Make your society healthy and you will radically lower the health care costs, and dramatically increase work productivity.

[QUESTION] Handelsblatt: Don't you think that this will only make possible marginal improvements?

Jeremy Rifkin: Why would I be here then, to waste my time? We can do it, the Germans can do it. What sometimes drives me up the wall is that politicians and entrepreneurs are too narrow minded to see the real possibilities and to grasp them. For Germany one thing would be fatal: If it loses the faith in being able to renew its society.