

Message from the Chairman

These lines were written in early March. It has been roughly a week since Russia launched its large-scale attack on Ukraine. No one knows how the war will develop or end, but it is already a tragedy. Thousands of soldiers and civilians have been killed, and millions of people have fled their homes. The material destruction is enormous. The entire European security order that was built up after the fall of the Berlin Wall and the collapse of the Soviet Union has finally crumbled. We are on the way to something new, the vague contours of which so far remind us of something old: a multipolar, unpredictable world in which powers and power blocs compete for land, positions, resources and influence.

The US is no longer viewed as a robust lone global policeman. For various reasons, American hegemony has weakened, and when a world power takes a step back, others step up to fill the void. China is an obvious example along with Russia, but the two have some company. Iran and Turkey do not have global ambitions but certainly have regional ones. India is growing in strength.

Relations between the US, Europe and all the other democratic states around the world usually considered to be part of the West are not uncomplicated, but one unintentional effect of Russia's attack on Ukraine has been the clarification of shared values and interests. The West has, so to speak, rediscovered itself. In both the US and Europe, people have been reminded of the importance of the transatlantic link, but it has also become clear that Europe must take increased responsibility for its own security.

One of the most important events in the wake of the Russian invasion is Germany's decision to sharply increase its defence spending and adopt a new energy policy. The country's dependence on Russian gas deliveries will be reduced. Germany is Europe's economic powerhouse but has long resisted taking a corresponding share of political and military responsibility. If this is now to change in earnest, the collaboration in NATO will gain new stability and change in nature.

But this does not mean things are generally in good order in the West. In the US, the Republican party has taken on increasingly authoritarian and – in a negative sense – nationalistic features, while the Democrats have been weakened and plagued by conflicts between moderate forces and radical identity politicians. Many now fear that the winner of the 2024 presidential election could again be Donald Trump. In a number of countries, there is strong polarization across the axes of conflict, such as core/periphery, urban/rural, conservatism/radicalism and identity/rationality. The climate change issue deserves to be taken very seriously, not least in the business world, but is sometimes used to stoke apocalyptic views and aggressive criticism of individual freedom, democracy and the market economy. Immigration and integration remain unresolved issues, which gives rise to strong emotions and conflicts.

How are people to cope in this difficult terrain? The historian Arnold Toynbee presented interesting ideas about how successful civilizations are characterized as having creative minorities, who solve the problems experienced by citizens in their everyday lives. One could also talk about

competent elites, who think not just about themselves but also act for the common good. Problems arise when such groups become comfortable and self-serving, preferring to simply see to their own interests. In that case, in Toynbee's terms they have degenerated into dominant minorities, worshipping their former selves, who want to exercise power but have grown rigid in their thinking. prefer to be paid than be responsible, and act based on their own interest. Civilizations that are increasingly characterized by such groupings face growing problems and ultimately collapse, Toynbee argues.

The business world can play a critical role as a positive social force in this era of great geopolitical complexity and uncertainty. In politics, powers and parties butt heads, whereas enterprises are creative by nature and flourish when there is potential for creative minorities to realize their ideas. Nurturing and stimulating talent in business is critical if we want the economy to develop and grow. Nurturing and stimulating all kinds of good talent is the key to getting society as a whole to develop and flourish in art, science, statecraft and business.

Nordstjernan and its owners both contribute, albeit in different ways, to Swedish society. Nordstjernan creates *social benefits* by providing goods, services, solutions to customer problems, tax revenue and jobs. The Axel and Margaret Ax:son Johnson Foundation for Public Benefit, which receives dividends from Nordstjernan, creates *public benefits* by supporting and running operations itself that play a major role in an advanced knowledge culture but does not carry its weight in a strictly economic perspective. When we are successful, we have contributed to both prosperity and knowledge development.

This work is manifested in many ways. In a daunting year like this one, I would like to highlight in particular the Foundation's efforts to train future leaders and how these efforts are now being realized through a new venture in statecraft and diplomacy. This involves the Ax:son Johnson Institute for Statecraft and Diplomacy, a new collaboration between the Foundation, the Stockholm School of Economics, King's College London, Cambridge University and Johns Hopkins University. Here, younger talent is given the opportunity to be immersed in geopolitics, grand strategy and applied history in order to interpret and understand a complex world so that in the future these students can constitute the creative minorities that every civilization needs.

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Chairman of the Board

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