

## Global Economy Prize 2015

The Kiel Institute for the World Economy considers itself as a gateway to global economic research as well as to economic education and economic policy advice. Specifically, we research and teach on how economic incentives can fortify individual responsibility and respond to people's need for social justice.

In order to reach this goal we adopt a global research perspective and analyze the effects of different, sometimes competing solutions on global economic problems. This allows us to derive recommended action for economic policy. By researching and communicating those solutions which foster productive ventures via market-based incentives, while protecting social justice we want to perform as a vibrant – and otherwise missing – hub in the global network of economic research institutes. To meet this ambitious target, we are eager to establish a vigorous dialogue among economic sciences, politics, businesses and further members of the civil society so as to pool all their individual experiences and ways of thinking.

By awarding the Global Economy Prize to characters from each politics, economic sciences and businesses the Kiel Institute intends to initiate a broader and intensified debate among all societal groups on how to further develop the approach of solving global economic problems via strengthening both individual and social responsibility. We specifically want to honor those characters who distinguish themselves as masterminds and intermediaries of global economic solutions, who excel by their ability and willingness to engage in dialogue beyond their area of expertise and who advocate a just and protective society based on individual initiative and responsibility. The Global Economy Prize does not carry financial remuneration.

The jury chooses award winners from nominations made by members of the Kiel Institute's well-developed international network.

The Kiel Institute for the World Economy and its partners, the state capital of Schleswig-Holstein, Kiel, and the Schleswig-Holstein Chamber of Industry and Commerce are looking forward to awarding the *Global Economy Prize 2015* to

**Mikhail Gorbachev,**

former Soviet politician and USSR head of state, Nobel Peace Prize Laureate

**Jeffrey Immelt,**

General Electric CEO and economic adviser to US president Barack Obama

**Kristine und Douglas Tompkins,**

entrepreneurs in the textile industry (The North Face, Esprit, Patagonia) who founded several private national parks in Patagonia

**Sir Christopher A. Pissarides,**

Cypriot British scientist and professor of economics at the London School of Economics and Professor of European Studies at the University of Cyprus, winner of the Nobel Memorial Prize in Economics

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The celebratory awarding of prizes will be held on Sunday, June 21, at the Kiel Town Hall.



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Elena Golosovskaya

## Mikhail Sergeyevitsch Gorbachev

Mikhail Sergeyevitsch Gorbachev, born on March 2, 1931 in Priwolnoje (Northern Caucasus, Russia) is a former USSR politician. From 1990 - 1991 he was Russia's State President. Whilst introducing his politics of transparency (glasnost) and transformation (perestroika) he ended the Cold War and prepared the ground for German unification. His reforms to democratize the USSR finally led to its breakdown and to the foundation of numerous independent successor states. Outside Russia Gorbachev is still highly appreciated and respected for his political merits. In 1990 he received the Nobel Peace Prize.

After completing primary and secondary school with excellent degrees Gorbachev joined the communist youth organization Komsomol. Descending from a peasant family, he started to work at the machinery and tractor station of a kolkhoz, a collective farm, in 1944. In 1950 he began to study law in Moscow. Two years later he became a member of the Communist Party of the Soviet Union (CPSU). In 1953 he married Raissa Maximowa Titorenko, then student of sociology. One daughter was born of this marriage.

After finalizing his studies in 1955, Gorbachev took up first political posts on a county and regional level in Stawropol. In parallel, he studied agricultural engineering at the Agricultural Institute in Stawropol from which he received his diploma with honors in 1967. His innovative ideas, allowing for significant increases in return, earned him an excellent reputation as an agricultural expert.

His rise to political power began in the late 1970s. With Jurij Andropov, former chief of the Soviet secret service (KGB) and Secretary General of the CPSU being his mentor, Gorbachev climbed up the political ladder. He became member of the Supreme Soviet, member of the Central Committee of the CPSU, secretary for agriculture, candidate (1970) and finally full member (1980) of the politburo of the CPSU. This made him one of the most powerful figures in the Soviet Union, especially as in many areas he filled in for head of state Andropov in the event of illness. Gorbachev's duties included travelling to western countries which strongly influenced his political and social views. As early as in 1975 he visited the Federal Republic of Germany, followed by visits to Canada in 1983 and Great Britain in 1984. British Prime Minister Margaret Thatcher has been one of the first to recognize Gorbachev's good intentions. Interviewed by the BBC following the meeting, she famously said: "I like Mr. Gorbachev, we can do business together." Mainly, this was understood as a positive signal towards US President Ronald Reagan.

Andropov died in 1984. Initially, he was followed by Konstantin Chernenko as a Secretary General, elderly and disease-stricken himself. In March of the following year, 54-year-old Gorbachev was named the second-youngest Secretary General of the CPSU. He aimed to prepare Socialism towards the future by means of reforms and to strengthen the USSR's international position via reconciliation with the West. On the domestic agenda, he advocated a higher quality of work in industry, agriculture and

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administration. He fiercely campaigned against corruption and alcoholism. A fundamental transformation of the Soviet society – perestroika – was meant to entail economic upswing. Gorbachev encouraged working people to take individual initiative and introduced market economy elements. By means of glasnost – opening the Soviet society – he fostered adopting a critical view of history and openly discussing the present situation.

With respect to foreign policy, Gorbachev stood up for disarmament and made several moves in this respect towards the USA. As far as nuclear issues were concerned, he intended to cooperate internationally, called for disarming all nuclear weapons and retreated all Soviet military from Afghanistan. In 1987, the so-called zero-solution signed by Gorbachev and Ronald Reagan – completely abolishing medium-range nuclear-tipped missiles in both countries – had been hailed as a historical break-through and formally ended of the Cold War.

In 1988 Gorbachev became head of state, which meant Chairman of the Presidium of the Supreme Soviet. He suspended the Brezhnev Doctrine, allowing member states of the Warsaw Pact, including the GDR, to choose their own course of development. The newly blossoming freedom led to numerous, mainly peaceful revolutions in Eastern Europe. In the GDR, too, people demonstrated in support of freedom and independence. Gorbachev tolerated this and waived the possibility to call deployed Soviet forces to arms. This way, he facilitated German Unification. During a meeting with Chancellor Helmut Kohl in 1990, Gorbachev granted reunited Germany full sovereignty as well as free choice of alliance membership. The same year, his role as a head of state had been transformed with the Soviet Communist Party selecting him to become the first President of the Soviet Union.

The Gorbachev's reforms finally made the Soviet Union collapse – an outcome which Gorbachev himself never had envisaged nor wished for. On 21 December 1991, he and Russian President Boris Yeltsin agreed upon terminating the Soviet Union. On 25 December 1991, Gorbachev announced his resignation.

In 1992, Gorbachev founded the Gorbachev Foundation, researching on socioeconomic and political issues with the aim of supporting international understanding and global peace.

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## Jeffrey Robert Immelt

Jeffrey Robert Immelt, born on 19 February 1955 in Cincinnati, Ohio (USA), is an American business executive and for 14 years now he serves on the board of General Electric (GE). He reoriented GE towards industrial facilities, its core business. This proved to be critical, as ventures into financial markets had driven the company near bankruptcy once the financial market crises erupted. He managed to close a spectacular deal with the French government on overtaking the energy branch of French-based energy-and-transport giant Alstom, and snapped this gem up from right under Siemens's nose, GE's biggest rival at that time. Recently, Immelt strongly promoted both in-house development of software for industrial facilities and a stronger internationalization by choosing production sites close to sales markets and by hiring technical and executive staff locally.

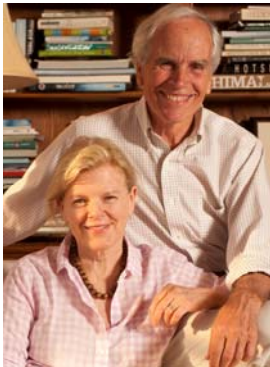
After finishing High School, Immelt studied at Dartmouth College where in 1978 he graduated as Bachelor of Science in Applied Mathematics. Subsequently, he went to Harvard to receive his MBA in 1982. The same year he started his career at the General Electric Corporate Group. A short stint in corporate marketing was followed by various executive positions in distribution, marketing and global product management at GE Plastics.

In 1989 Immelt had been appointed Vice President of Consumer Services at GE Appliances; in 1991 he became Vice President of Worldwide Marketing and Product Management. In 1992 he switched from Vice President and General Manager of the Commercial Division to GE Plastics North, Central and South America. The following year he was appointed Vice President and General Manager of the entire GE Plastics North, Central and South America.

In 1997 Jeffrey Robert Immelt became president and vice chairman of GE Medical Systems which then made annual sales of 8 billion US Dollar. Under his leadership the company managed to dominate the global market. On 7 September 2001, Immelt was appointed the ninth chairman in the 124 years history of General Electric. From November 2000 until his appointment to follow John F. Welch had been finalized, Immelt served as president and chairman designate of General Electric.

Three times financial magazine Barron's had chosen Immelt as one of the best CEOs globally. In 2011 US president Obama appointed him as chairman of the advisory body for jobs and competitiveness. He and his wife have one daughter.

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## Kristine und Douglas Tompkins

Kristine (born 1950) and Douglas Tompkins (born 1943) are a successful entrepreneurial couple, deeply devoted to protect the environment. They made a fortune with their textile companies – The North Face, Esprit and Patagonia – which they employed to build up huge national parks and wildlife sanctuaries in Chile and Argentina. Jointly, Kris and Doug Tompkins own more protected land areas than any other private person on this globe.

Douglas Tompkins grew up in Milbrook, New York. He did not finish high school but rather devoted himself quite early to his major passion, namely outdoor sports, especially skiing and climbing. One of his earliest projects has been the “California Mountaineering Guide Service”. Shortly after establishing it, he took the next step, opening a shop for climbing equipment. This grew into “The North Face”, a company which up to date produces and sells outdoor wear and equipment. Already in its early days, The North Face established new standards of quality, especially with respect to tents, sleeping bags and backpacks. After a few years, Tompkins sold the young company in order to focus on the production of adventure movies. Joining forces with outdoor pioneer Yvon Chouinard, he made a road trip from California to Patagonia. On this trip he shot the movie “Mountains of Storm”.

Also in 1968, together with his then wife and a friend Tompkins began to sell women’s wear from the trunk of a car. This was the beginning of Esprit, a fashion brand which rather quickly grew into a globally successful company. Whilst working for Esprit, it became increasingly apparent to Tompkins that the textile industry had strong adverse ecological effects. Thus he left the company at the end of the 1980s. He channeled the proceeds from selling his shares t in some projects to protect the planet and moved to Chile in order to realize them.

Kristine McDivitt Tompkins, born in 1950, grew up on a ranch in Santa Barbara, California. For a few years, she also had been living in Venezuela. Already in her teenage years she got to know Yvon Chouinard and had been working at Chouinard Equipment, a small climbing equipment company.

Following graduation at the College of Idaho in Caldwell Kris became involved with Chouinard Equipment and developed the small company into the internationally leading outdoor outfitter Patagonia Inc. During her 20 years as a CEO she molded Patagonia into a benchmark enterprise for ecological responsibility. As early as in 1980, Patagonia Inc. began to donate 10 percent of its profits to nature conversation organizations as for instance “Earth First!”. Four years later Patagonia Inc. founded the “One Percent for the Planet Club” whose member companies are committing themselves to donating either one percent of sales or 10 percent of profits – whichever figure will be the higher – to protect the environment. In 1993, Kris left Patagonia Inc., married Douglas Tompkins and settled with him in Chile.

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The land area Kristine and Douglas Tompkins bought to realize their environmental projects nearly comprise one million hectares. Their first purchase has been Pumalin Park in the region of Los Lagos, Chile, which was meant to shelter and renew the Valdivian rain forest. A number of further land purchases both in Chile and Argentina followed. Douglas Tompkins set up “The Conservation Landtrust” and “Deep Ecology” in order to help funding the land purchases. In 2000, Kris Tompkins founded the non-governmental “Conservación Patagonia” to help her with acquiring further areas of land and subsequently donating them to existing national parks in Chile and Argentina.

Acknowledging their nature conservation efforts, the Tompkins have received many honors and awards as for instance the Scenic Hudson’s Visionary Conservationist Award, the African Rainforest Conservancy’s New Species Award and the Latin Trade’s “Environmental Leader of the Year” Award.



## Sir Christopher A. Pissarides

Christopher Antoniou Pissarides, born 20 February 1948 in Cyprus, is a Cypriot British economist. He is professor of economics and politics at the London School of Economics (LSE). He is particularly interested in researching unemployment. In 2010 has been co-recipient of the Nobel Memorial Prize in Economics for his research work on the economic problems of job hunting – i.e. the analysis of frictional markets. His fellow laureates for the prize have been Peter Diamond and Dale Mortensen.

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Christopher Pissarides started his academic career at the University of Essex where he studied economics from 1967 until 1971. He took his PhD at the London School of Economics; his thesis is entitled “Individual Behaviour in Markets with Imperfect Information”. After a short period working at the Central Bank of Cyprus, Pissarides became assistant professor for economics at the University of Southampton before he moved back to the London School of Economics. Over the next few years he was promoted from “assistant” to “full” professor for economics. Since 1994 he has been doing research at the London Center for Economic Policy Research (CEPR) and at the Institut zur Zukunft der Arbeit (IZA) in Bonn, Germany, too. Furthermore he has been a guest professor at a number of prestigious US universities and research institutes, like Harvard, Princeton, Berkeley, Yale and the National Bureau of Economic Research.

Pissarides researches on the interdependencies of the labor market and the macro economy, focusing especially on the interaction between unemployment and employment policy. This range of topics has been called “search and matching theory”. It is especially relevant on those markets where searching plays an important role, namely on imperfect markets ridden with lack of information, uncertainties and frictions. Further possible applications are real estate markets and marriage markets. Pissarides’ most influential publication is said to be „Job Creation and Job Destruction in the Theory of Unemployment“, (with Dale Mortensen, Review of Economic Studies, 1994). The model presented in this article became widely used in labor market analysis.

Pissarides has been awarded with numerous further awards, as for instance the IZA Prize in Labour Economics in 2005 (with Dale Mortensen), the Republic of Cyprus Aristeion for the Arts, Literature and Sciences (2008), the Gold Medal for Outstanding Contribution to Public Discourse of the Trinity College, Dublin (2012). He became foreign member of honor of the American Economic Association; since 2005 he serves as a board member of the European Economic Association and as its president since 2011.

In 2013 Pissarides was named a Knight Bachelor by Queen Elizabeth II and since is properly called “Sir Christopher”.

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