

Investing on the right side of global change

# RESPONSIBLE WEALTH REVIEW

A Private Wealth Council Publication

June 2008

## PRIVACY

### THE PRIVATE WEALTH COUNCIL

A forum for responsible private wealth ownership.

*Erik Brenninkmeijer* in dialogue with council founder *Fritz Kaiser*.

### THE 9 DRIVERS OF GLOBAL CHANGE

An overview *from Al Gore*.

### 'THE WORLD IS ANYTHING BUT FLAT'

*Beatrice Weder di Mauro* on the economic future after seven fat years and a crisis on the financial markets.

### GROWING UP WITH THE INTERNET

The generational divide on privacy. *By Jonathan Zittrain*

### HOW MUCH PUBLICITY CAN PERSONAL SECURITY ENDURE?

*Stephan Lechner* on the current state of a cherished civil right.

### AMERICAN PRIVACY VS. EUROPEAN 'PRIVATSPHÄRE'

*Thomas Kleine-Brockhoff* and *Antje Kuchenbecker*  
analyze a transatlantic dilemma.

### 'SPACES FOR PRIVACY ARE ESSENTIAL'

*Roger de Weck* in dialogue with *Hereditary Prince Alois of Liechtenstein*  
on the strategic direction of the Principality of Liechtenstein.



Privacy, like freedom, is an important fundamental right and a pillar of our society. A professor of sociology told me that it was an achievement of humanity which led us out of savagery and into civilization. Be that as it may, the protection of privacy continues to be a basic right. It is embedded in the constitutions of many countries of the Western world. The institution of bank secrecy is one of the ways this right is expressed.

For quite some time now, little by little, the Orwellian nightmare of the 'transparent man' has been turning into accepted reality for the public at large. For years, The United States Treasury Department and the CIA have been monitoring the flow of funds through the Swift bank clearing system in Brussels under the guise of fighting terrorism. Secret services are blatantly snooping in our private databases. Politicians, facing empty state coffers and reproachful of bank secrecy, recklessly demand that protection of the private sphere be lifted, to allow them to pursue tax payers. Constant video surveillance is considered to afford protection, biometric passports are thought to be fashionable, and millions of young people are broadcasting the most intimate details of their lives on the web without a second thought.

Is the right to privacy becoming obsolete? Where will the development of the Internet take us? It has opened up so many fascinating possibilities over the past 10 years – and brought along a frightening kind of transparency at the same time. How can we preserve a modicum of privacy in a world that changes at breakneck speed?

We have addressed these issues in the Private Wealth Council and shared ideas with experts and opinion leaders. Not surprisingly, we found that wealthy people in particular intend to defend their right to privacy. The reasons are as diverse as they are legitimate. A businessman wishes to use his trade secrets to his competitive advantage. Affluent people want to protect themselves against corruption, envy, theft, or kidnapping. Families want to be able to enjoy their private sphere in peace.

In this first issue of the Responsible Wealth Review, you will find out more about how the Private Wealth Council came into being and what our goals are. It focuses on the key issue of privacy. Contributions from several distinguished authors will provide you with an assessment of where this fundamental right stands today. Perhaps you will find some useful information or ideas about how you can safeguard your privacy with a clear conscience.

I look forward to your opinions and comments on the Private Wealth Council or about this issue.

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## **Publisher's Editorial**

Privacy, like freedom, is an important fundamental right and a pillar of our society. Is this fundamental right becoming obsolete? Several distinguished authors have contributed to an assessment of the current status of this debate. *page 1*

## **'We are looking for a formula for 'Responsible Wealth''**

Fritz Kaiser is the founder of the Private Wealth Council and Erik A. Brenninkmeijer has been a member since the Council's inception. Since then, the two have been sharing ideas about what responsibility in society and in business can mean and what it can accomplish. *page 4*



## **Return to normalcy**

The world has seen seven fat years and a period of extraordinary liquidity. The crisis in the financial market has put an end to these exceptional circumstances, and because there is nothing to stop the laws of economics, we are threatened with a situation we know well from the past: the return of inflation, higher volatility, and perhaps even a new kind of protectionism, according to Beatrice Weder di Mauro. *page 8*



## **When privacy was lost**

Private and public are the two spheres that form the foundation of humankind, invented by classic Greek philosophy and rediscovered in the Age of Enlightenment. Modern society is rooted in the balance between these two spheres and now threatens to destroy it. Historical essay by Kurt Imhof. *page 16*

## **'Sacrificing claims to privacy'**

According to leading American privacy researcher Alan F. Westin, the private sphere is a human right. However, a young and globally networked Internet generation attaches more value to freedom of communication than to the individual's right to privacy. *page 22*

## **The 9 forces driving global change**

Al Gore developed a list of nine Drivers of Global Change for the Private Wealth Council Meeting held in early summer 2005 in Bad Ragaz, Switzerland. He discussed these predictions with the Council participants. An interesting list of mega trends. *page 26*



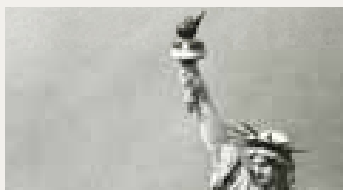
### Growing up with the Internet

The fact that young people are readily accepting an openly accessible on-line environment has little to do with carelessness and a lot with the need for controlled autonomy. The differences between public and private identity are about to dissolve anyway, according to Jonathan Zittrain's predictions. *page 32*



### Privacy in 2008: how much protection still exists?

No longer very much: the breathtaking spread of information technology, the privatization of government-run services, modern methods of combating crime and the globalization of data transfer are eroding the private sphere, according to the analysis of data protection expert Stephan Lechner. *page 36*



### American Privacy versus 'European Privatsphaere'

In the United States, one's home is regarded as the core of personal privacy. Its boundaries are defined not by the state, but by the right to freedom of speech. The European legal tradition, on the other hand, proposes a right to informational self-determination, guaranteed by the government. Thomas Kleine-Brockhoff and Antje Kuchenbecker address a Trans-Atlantic dilemma. *page 44*

### Special case Asia

Personal assets are increasingly flowing into Asia. The favorable fiscal environment and remarkable economic growth have turned the region into a magnet for investors from all over the globe, concludes Sameena Ahmad. *page 52*

### 'There must be spheres of privacy'

The Principality of Liechtenstein has traditionally been an oasis of privacy. Is this an out-dated concept in the open-information society, or, on the contrary, the key to the country's future? Hereditary Prince Alois of Liechtenstein reflects on the questions of Roger de Weck. *page 56*



### Privacy – a global and interdisciplinary debate

On January 28, 2008, the Private Wealth Council met in Vaduz for a lively and impassioned discussion about privacy, the state of this civil right around the world, and the consequences for wealthy families. Photographic impressions of workshops. *page 60*