

Preface by the Editors

Ever since the financial and economic crisis of 2008/09 and its accompanying spill-over effects, our globalizing world has uncompromisingly shown the flip side of its coin. Its crisis-prone character has intensified the discussion about our economic system's sustainability. Questions related to acceptable sovereign debt levels, suitable trade deficits and surpluses, and firms' growth targets have aroused high interest. In our opinion, this discussion must involve rethinking the qualitative and quantitative dimension of our present understanding of the nature of economic growth. The concept of balanced growth as a *way* of the global economy to grow might be one solution for the systemic risks and imbalances of our times.

The *kinds* of economic growth most countries aim for has created externalities with self-destructive traits concerning the system's ability to sustain itself. Is this inability based on the system requiring the exclusion of certain groups of countries, regions, and human beings? In other words, is inequality an embedded core element in our way of growing and achieving wealth? Exports and domestic consumption – the two prominent drivers of economic growth – are often also the origin of imbalance and instability. Excessive current account surpluses imply excessive current account deficits. The increase in global demand leads to shortages of supply and price increases, which may lead to social tensions. In an increasingly global and unevenly growing world, scientists and practitioners are deeply affected by these ambiguous developments. If the fault line lies within our society's *way* of growing, we encourage our reader to reflect on the unquestioned dogma of unlimited growth by taking the different elements of the debate into consideration.

We hope the reader of this book – accompanying this year's DocNet Management Symposium at the University of St.Gallen – obtains valuable insights from researchers and practitioners' theoretically and empirically grounded contributions. They are experts in the fields of macroeconomics, monetary economics, housing finance, strategic management, organizational control and governance, entrepreneurship, strategy consulting, human resources, and energy management.

We structured the book into three sections, according to different understandings of the concept of "balanced growth." Each section contributes to a formulation of perspective-related strategies. Section 1 highlights aspects related to the economics perspective. Section 2 deals with the business perspective on firms' growth strategies, while Section 3 focuses on questions related to the sustainable management of natural and human resources. Section 1 introduces the "growth imperative" – a concept based on the relationship between money creation and GDP growth. Furthermore, the role of interest rates and the direction of capital flows are highlighted concerning global imbalances, for example, in terms of per capita income differences. The related topic of housing bubbles with its interlinkages to the banking sector is examined across countries with different income levels. An analysis of the

positive impact of human capital on growth shows the differing effects between countries. Section 2 investigates strategies for firms' balanced growth. These chapters provide insights into the selection of the right growth mechanisms, as well as into the challenges of and success factors for sustainable firm growth, the growth strategies of sustainable entrepreneurs, and how firm board effectiveness can contribute to a firm's sustainable growth. Section 3 addresses the sustainable management of natural and human resources. Dwindling resources, rising global consumption, and a rapidly increasing demand for energy are among the main challenges for our generation. Not only natural resources are consumed at an unprecedented speed; we also stress the challenges faced by human resources, leading to record-breaking burnout statistics. In response to these problems, this section analyzes the opportunities of energy storage systems, offers insights into balanced HR management practices, and describes alternative solutions for the exploration and exploitation of resources in a case study on coffee production in sub-Saharan Africa.

This book is the product of many people's cooperation. We thank DocNet, the doctoral network at the University of St.Gallen, for providing us with the opportunity to organize the 9th DocNet Management Symposium, entitled *Balanced Growth: Finding Strategies for Sustainable Development* and to serve as the editors of this book. We also thank the authors and symposium speakers, some of whom authored chapters. All of them have time-consuming positions, but managed to provide contents that build and enrich this year's symposium book. Since the realization of such a project always requires much organizational and operational work, we thank Ilse Evertse and Johan Emerson Grobler for their commitment, which went far beyond the usual proofreading. Our thanks to Christian Rauscher and his Springer-Verlag team for guiding us through this work. We owe Philip Schuster and Larissa Zierow a debt of gratitude for their technical support.

Finally, we thank the various financial sponsors, including this year's lead sponsor, KPMG. In particular, we want to thank the Center for Organizational Competitiveness (RoCC) of the University of St.Gallen for supporting this book financially. RoCC is an interdisciplinary research center that hosts approximately 30 researchers and lecturers from different faculties. The Center analyzes the individual and collective skills of multidivisional company executives. Executives must satisfy the demands of different stakeholders such as investors, customers, competitors, and society at large in order to provide added value for their firms that exceeds single business units' abilities. The goal of the excellence initiative is to generate new knowledge to improve responsible strategic leadership.

In many contexts, terms like *sustainability* or *balanced growth* have unfortunately become buzzwords. In practice, they are often a desirable vision rather than an achievable objective. Why? Doubts may arise about the extent to which such concepts are compatible with a modern market economy. If this book can shed some light on how to realize a balanced way to grow and illustrates why a balanced growth path is a desirable strategy for policymakers, managers, employees, and other societal stakeholders, we would be more than thankful. We hope the reader discovers new insights and derives possible synergies from this interdisciplinary experiment.

Balanced Growth

Finding Strategies for Sustainable Development

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