Patrick Fine: Hello, and welcome to the Deeper Look podcast. I'm Patrick Fine, CEO of FHI 360, and today I have the pleasure of speaking with Roland Schatz, a leader in the field of media impact and an expert on the Sustainable Development Goals, which have been the topic of this podcast series in 2017. Roland, thanks very much for joining me today.

Roland Schatz: It's a pleasure being here.

Patrick Fine: Roland is senior advisor to the UN Director General in Geneva, Michael Møller.

Roland Schatz: Yes.

Patrick Fine: And he's the founder and CEO of Media Tenor, which is a media research and analytics organization that you founded in 1993. Is that correct?

Roland Schatz: Yes.

Patrick Fine: So, I'd love to hear a little bit about that, because there's been a lot of progression in the use of media over the last 25 years, and I'm sure you've got great insights there. You've also created and implemented the perception change unit for the UN in order to help people in the world better understand what the UN is all about. And now, working as a senior advisor, you've founded the Global Sustainable Index Institute. I'm very interested to hear about the work of the Global Sustainable Index Institute and how it is seeking to hold all of us accountable for implementing the SDGs.

So, if you don't mind, let me just ask about Media Tenor. What kind of changes have you seen in the last 25 years in how media is influencing the development community and the way we carry out development, what issues we focus on and how we approach them?

Roland Schatz: Yeah, thank you. Basically, nothing has changed.

Patrick Fine: Ah. [Laughs]

Roland Schatz: We still are human beings. It's difficult, especially for guys in Silicon Valley, to accept that. Because they deeply believe in
artificial intelligence. But at the end of the day, we are still Patrick and Roland, and what defines us is that we tend to follow what we see. So, what we don't see, we are not aware of, and what we don't see and what we don't read, we can't respond to and we can't react to.

Patrick Fine: Mm-hmm.

Roland Schatz: So, if you ask me, what has changed over the last 25 years, in some respects, nothing has changed. In another aspect, a lot has changed. What has not changed is that if you don't make it into The New York Times, if you don't make it into The Wall Street Journal, if you don't make, uh, into what we call the opinion-leading media, you don't exist.

Patrick Fine: Mm-hmm. Mm-hmm.

Roland Schatz: And that's not only true for The New York Times and Wall Street Journal and the prime time news of Fox or ABC. It's as well true for La Monde or Le Figaro in France, and it is true in my country, where I was born, in Germany, and it is true all over the world.

Few influence the others, and in that respect, nothing has changed, and in contrast to the good public relations work of Facebook and the social media, they only manage here and there on an anecdotal base but not on a scientific base to replace The Wall Street Journal or The Washington Post in their position as opinion-leading media.

Patrick Fine: That's interesting. I want to delve into that a little, but what you're talking about is an old adage in politics that said, "If it's not covered in the media, it didn't happen."

Roland Schatz: That's the reason why we were the only one predicting the Brexit.

Not because we are smart, but because we have 110 analysts who do nothing else than watching BBC, reading the Financial Times day after day after day, and the result is that over 15 years, the continent where I live, Europe, is not existing in BBC primetime news –

Patrick Fine: Yeah. Yeah.
Roland Schatz: That tells you everything, because as long as the Brits talk about us as "the continent," it's clear that they never belonged to us.

Patrick Fine: Mm-hmm.

Roland Schatz: And because they never “belonged to” us, it became part of the DNA of a BBC journalist to not cover what didn't belong to them.

Patrick Fine: Right.

Roland Schatz: So, our metrics, when you analyze story after story after story, day after day after day, you find out that in all year 2015, it was less than 0.4 percent stories on "the continent."

Patrick Fine: Wow, that's fascinating. You mentioned that with the rise of social media, that you don't see social media as really replacing these main opinion influencers and – and opinion makers. But it seems like a lot of commentary right now about the rise of social media is that social media has created a 24-hour news cycle and that it really is the leading edge of shaping public perception. So, I'd like to have your – your view on that.

Roland Schatz: Well, the advantage, and at the same time the curse, of being an academic is I need to see it in numbers.

Patrick Fine: Mm-hmm.

Roland Schatz: I'm hearing the friends from social media logically since five years, 10 years, 15 years telling this story, but I was asked, for instance, by Amr Moussa to do a conference three months after Arab Spring.

Patrick Fine: Uh-huh.

Roland Schatz: Because our friends from the social media said, "We did it."

Patrick Fine: Right.

Roland Schatz: And so, Amr said, "Roland, you are the only one on a global scale who has data. Come, let's have a conference, and let's discuss these effects." And we did the analysis, and I have to say, sorry, but it wasn't the social media. It was mainly Al-Arabiya and Al-Jazeera, the prime time TV guys in that region who then, yes, picked some of the YouTube videos and took these YouTube videos into their...
prime time news program. But those were three or five or 10. They were not the 2 billion which you can upload on YouTube.

*Patrick Fine:* But isn't that what the advocates of social media, the people who see social media really shaping perceptions today, would say is that Facebook has over a billion – maybe over –

*Roland Schatz:* Two.

*Patrick Fine:* Two billion users, and over a billion of those go on Facebook every single day, or if you think about the way that Twitter has disrupted U.S. politics in the last year, where you have the president using Twitter to make policy pronouncements and to really shape public opinion and to rally his base around his agenda, wouldn't that indicate that the rise of social media is the primary – or is a primary shaper of public perception?

*Roland Schatz:* You need to differentiate between two things.

Yes, social media, Twitter, and Facebook, they became institutions media write about. That's true, and they write about more about Facebook than they, for instance, do on FHI 360.

*Patrick Fine:* We're trying to change that though. [Laughs]

*Roland Schatz:* And I'm all for that. It's still The New York Times writing about somebody, and it is not YouTube or Facebook or all the other social media having become the space where opinion leaders go to to form their opinion. That hasn't changed.

*Patrick Fine:* Yeah, that's interesting.

*Roland Schatz:* And – And that is, there's an important book if you want to understand who drives others, and the theory behind it is called The Agenda Setting Theory, developed by Don Shaw and Max McCombs at Chapel Hill in '68.

*Patrick Fine:* Yes.

*Roland Schatz:* So, the main point is, what people see matters. What they don't see is not existing.
That's rule number one. But the question is, who defines what they are seeing? And in order to do what we do, we predict basically elections or referendum or other things.

*Patrick Fine:* Right.

*Roland Schatz:* And we are able to predict this based on a certain set of influential platforms, if you want to call them. Because social media so far are nothing else like [the kiosk] at a petrol station. A petrol station is where you go and you can buy, in this kiosk, you can buy cigarettes, and you can buy a newspaper, and you can buy chocolate.

*Patrick Fine:* Right.

*Roland Schatz:* It's just a platform. And the social media, not one social media so far has proven empirically that they have replaced any of those lighthouses which the people are using when they want to inform themselves about politics or business or something like that.

It's all about numbers. It's a science. We used to do ABC, CBS, NBC. Looking at these three, I could tell you what the Americans are going to do.

*Patrick Fine:* Right.

*Roland Schatz:* But these three were so [similar] that we took out ABC and replaced it with Fox, and then we were more accurate. But let me come to that point when we speak about the 25 years. Everybody's talking about Fox, and there are good reasons to do that, because we have similar developments not only in America, but for instance in Switzerland.

But the reason that Fox exists is only because ABC, CBS, and NBC didn't do their job.

*Patrick Fine:* Well, Fox News would agree with you on that.

*Roland Schatz:* ABC, CBS and NBC were cutting from the agenda relevant topics, like "What is the current status of a senior citizen in America?" This topic is not existing. Senior citizens get visibility in American prime time news of less than 0.2 percent. American students, young people, get visibility of less than 0.1 percent. So, if these
relevant participants of society – if they don't exist, what is going to happen? They're looking for something else.

Patrick Fine: Right.

Now, what I'd like to ask you about is the institute that you've founded at the UN, the Global Sustainable Index Institute. Now, my understanding is that you set that up at the request of the UN as a way of measuring progress toward the SDGs, and in particular, holding stakeholders accountable for contributing to the achievement of the SDGs. But, can you tell us about the institute?

Roland Schatz: Yeah, it's basically, Michael Møller who, among others, had a certain fatigue listening to corporate leaders talking about sustainability, especially talking with guys representing the finance sector, talking about sustainability – in today's world we would call it the SDGs – and then realizing that nothing has changed. The percentage of money invested in companies who are really run on the sustainable principles that was 3 to 6 percent in 1990 depends on how you define sustainability.

Patrick Fine: Wait. Yeah, I was going to say, are you talking about environmental sustainability, or are you using a broader definition?

Roland Schatz: I'm using a broader definition, but the ones who are more hard core, that'll be 3 percent, and the ones who are more broader, that'll be 6 percent. But still 6 percent is the big nothing compared to 94 percent of all money going into stocks in those companies who are more or less ignorant on sustainability.

Patrick Fine: Right. Right, right.

Roland Schatz: And if you look into the same numbers in 2016, unfortunately, we have the same 3 to 6 percent.

Patrick Fine: Wait, and what's the baseline, from what year?

Roland Schatz: 1990.

Patrick Fine: Okay.

Roland Schatz: So, basically no progress. But Michael Møller and Kofi Annan, they were both very dedicated to see change in place, and Kofi Annan especially together with Michael Møller, he started the
Patrick Fine: Yeah, I did. [Laughs]


Patrick Fine: [Laughs]

Roland Schatz: We are – we are a group of old guys who are frustrated that nothing happened, and Michael Møller invited all these 20 to The Palais des Nations in Geneva in spring 2014, and he said, "The likelihood that the SDGs are going to be signed is pretty high. In case they are signed, let's use this as our big momentum where we will hold the corporate world as well as the governments accountable on whether they continue only to talk or whether they deliver. Because in case these heads of states are going to sign these 17 sustainable development goals, and not only signing them but have a global understanding that by 2030 we have to reach no poverty, SDG 1. We have to reach no hunger. We have to reach health for everybody, which is your big theme.

Patrick Fine: Yeah.

Roland Schatz: We have to reach education. We have to reach gender equality. I don't know what Angela Merkel drove by signing in 2030 we will have gender equality in Germany. We are far, far, far away from that. But the fact that she signed it made it come real, because she signed it on my behalf. I'm a German citizen living in Switzerland. She signed it for me. She signed it for all the other Germans as President Obama signed it on behalf of every American.

Patrick Fine: And in this case, 194 nations made that commitment.

Roland Schatz: Exactly. Only two didn't, and they were not allowed into the country. Otherwise, they would have come as well and have signed.

So, we have this moment, the only moment in history. At the same time, we all understand this seems to be the big nothing, because if
193 heads of state come together and sign something which seems out of reach, what does that mean?

And now let me end with a personal experience. I was – I was 22 years old, and I had to listen to the Minister of Science of East Germany at the German big trade fair in Hannover, and he gave a speech on how fantastic science is in East Germany, and because they are so fantastic, the whole world wants to see these communist scientists, and they're at Harvard and they are everywhere.

And a normal journalist reaction – I'm fifth generation journalist – would have been going after him and say "How dare you even talking about this nonsense? You know it's totally false." I didn't do that. I walked up to him and I said "Officer _____, I think what you just said needs to be printed." And usually no western magazine would ever print stuff from commoners, so he was proud, and he said "Yes." Big mistake for him.

Patrick Fine: Yeah. [Laughs]

Roland Schatz: He invited me to come to Leipzig, to the East German trade fair. And what he didn't know was that you are not allowed to bring western magazines into East Germany for good reasons, because then you keep people informed. I'm always coming back to "You need to see something" and then you change.

Patrick Fine: Yes. Mm-hmm.

Roland Schatz: So, he invited me. I called his office two months later and said, "It's printed. Am I still invited?" "Sure you are." And then I said, "Well, you know there's this problem. I'm not allowed to bring you the copy. You need to inform the border that I'm allowed now to bring you the copy."

So, I got the telegram with no number. So, I put 300 copies of Inovatsio into my car, I went in, next day, I met him, and I gave him five copies, and 295 I distributed among my friends in the churches. Six months later, I used the same telegram because there was the next trade fair. I had 2,000 copies, and I went on and on. That was not the only way why the wall came down, but it was one little hole.

Patrick Fine: Sure. I'm sure. Thousands of actions like that.
**Roland Schatz:** And the – the SDGs are exactly like that. That is why I'm' so full of energy. They signed it, and now let's us make it come true.

**Patrick Fine:** So, your institute has created an index, and you use that index to hold corporations and others accountable for achievement of the SDGs. It's been two years since the SDGs were signed. Tell us about the index and then how you're holding people accountable, and what kind of progress you've seen in the last two years.

**Roland Schatz:** I'm repeating basically what I did in 1987. We had to wait 'til spring 2017 to start with the index. Why? Because companies only publish once per year their annual report.

**Patrick Fine:** So, the index is really brand new.

**Roland Schatz:** Absolutely. We launched it on April 19th at the UN and New York because we had to wait until the companies were filing their annual report for 2016.

**Patrick Fine:** Sure.

**Roland Schatz:** It would have been unfair to go and take a look at the 2015 one because the heads of states signed in September.

**Patrick Fine:** Of course. Right.

**Roland Schatz:** So, we had to wait for the 2016 annual report, and that again takes two months, three months, four months into 2017, until they're really filed. What do we do? We didn't look in to the financial part of the annual report because, as you know from accounting, every company when they do their numbers together with the experts, you only get 30 to 70 percent of the real value of a company represented in the annual report. So, that's not a good place to look at what have they done.

**Patrick Fine:** Right. So, what did you look at?

**Roland Schatz:** But, we look into the non-financials. We look in to the text where the chairman tells his shareholders how he spent the money in the last year and what he's going to do in the coming years. We look at the text the CEO explains to his audience, the shareholders, what he has done and what he's planning to do. We look in to the text of the CFO, the chief finance officer, and we look in to the section
where the company explains what they have done and what they are going to do, because this document is the only legally binding document a corporate listed company is giving.

*Patrick Fine:* Yeah, but from an analytic point of view, that document is really often a public relations piece that the company writes to present in the best possible light its actions to its shareholders and the public. So, is that going to give you the kind of objective information that you can use to draw conclusions?

*Roland Schatz:* Yes and no. No because an annual report for sure is not giving you 100 percent of reality what General Motors or BMW or –

*Patrick Fine:* Siemens.

*Roland Schatz:* Siemens or any other of the blue chips are doing. Yes, for the very simple reason as it was a yes for this Minister of Science of East Germany 30 years ago. Yes, because it shouldn't be PR. If Apple says, "We are paying the same amount to our female workers as we do to our male workers," and the chairman signs that in the annual report, every employee is allowed to sue Apple in case this is not true. That's the reason why you have thousands of lawyers –

*Patrick Fine:* Yeah, legions, yeah.

*Roland Schatz:* – who make their business by advising Tim Cook to not write anything in his annual report.

*Patrick Fine:* So are you saying that –

*Roland Schatz:* Apple is red in our index because Apple is disclosing nothing, *niet*, zero on how they treat their people, how they produce their products. They do nothing. No information, and therefore they are red.

General Motors, Facebook, Google, all these largest companies which we analyze in the top 300, they decide every year, "Are we going to disclose, yes or no?" And the big surprise for us at the launch in New York was, out of these 300, only 120 followed the example of Apple. The large majority, 180, in one way or the other are explaining to their shareholders and to the public what are they doing in regards to education, what are they doing in regards to climate action, what are they doing in fighting poverty? That is the revolution.
Patrick Fine: And what you're saying is, because they're stating this in their annual reports, that that provides a basis for then holding them accountable for those claims that they're making.

Roland Schatz: Absolutely. Absolutely.

Patrick Fine: And that will be the work of the institute?

Roland Schatz: Exactly, and for the first time in history, we can move impact investing from negative screening, and now we move this negative approach into a positive.

Patrick Fine: Right.

Roland Schatz: "I want to earn my money, but I want to do it with education, or with health, or whatever," so you can form now funds trading on the best of the best in health.

Patrick Fine: Who is the best of the best? Generally, not in health or a particular sector, but if you look at these big corporate actors and their commitments to social impact and to supporting the achievement of the global goals, who do you see as the top performers, not just in rhetoric, but in action?

Roland Schatz: I can't talk about action. That would be not honest. I talk about rhetoric, but in a Greek way, legally binding, and the number one is Randstad.

Patrick Fine: Randstad?

Roland Schatz: Randstad is one of the leading companies in Time. You know, you don't hire people full-time, but you – so you get them from Randstad.

Patrick Fine: Oh, oh, yeah, like an employment agency.

Roland Schatz: Yeah, exactly. Or Volvo or –

Patrick Fine: What about Unilever? 'Cause I see Paul Polman –

Roland Schatz: If you would ask me "Roland, now after 30 years in business, who would you recommend to talk to?" I would say Paul Polman, Unilever.
Patrick Fine: Yeah.

Roland Schatz: Unfortunately, he is listening too much to his lawyers, like Tim Cook from Apple is doing, so his annual report is not really cutting-edge.

Patrick Fine: Maybe you should be following his Twitter account, because his Twitter account seems cutting-edge. [Laughs]

Roland Schatz: It is not legally binding. He can Tweet whatever he wants. We want to put change in place. So, what we are doing is we give these data to pension funds and say, "Put 1 percent of your pension fund and invest positive into SDGs."

Patrick Fine: Right.

Roland Schatz: Because that’s the only purpose of the institute. By 2020, we want to have changed the financial markets that they have invested at least 20 percent of their money in sustainable, SDG-driven companies.

Patrick Fine: So, that would be their pension funds primarily?

Roland Schatz: No, everything.

Patrick Fine: And so, what kind of commitments are you getting from the companies to actually follow through on the commitments so that you might be able to achieve that target of 20 percent invested in – in sustainable vehicles?

Roland Schatz: I'm not talking with companies. I am talking with those who are buying the stocks of the companies, because Wall Street is driving the change in the fastest way. If I would talk to Paul and all the others, I wouldn't achieve my goal by 2020. I need to talk to BlackRock, to those who invest their money in these companies.

Patrick Fine: The big investment banks.

Roland Schatz: Exactly. I'm spending basically all my time talking with treasurers of states and cities, as well as with pension funds and others who – who decide, and endowment managers. That is my target group number one. Target group number two is the kids. There's a fantastic group called HOPSports.
Patrick Fine: HOPSports, yes.

Roland Schatz: It’s an American, Tom Root.

Patrick Fine: Tom Root, right.

Roland Schatz: Exactly. So, Tom –

Patrick Fine: Who combines entertainment and sports, right?

Roland Schatz: Exactly, and Tom reached out after we did the launch at the UN in April. He said, "Roland, I'm just finishing the next school year's program, but I heard what you were doing. Please let's work together and integrate your data and your knowhow on the SDGs into my program.

Patrick Fine: Oh, I see.

Roland Schatz: So, the kids when they do 50 minutes, they exercise, they will get games and other things where they learn about that the SDGs exist.

Patrick Fine: Oh, that's interesting, yeah.

Roland Schatz: – but not only that they exist, but what it means. They will learn about our rankings.

Patrick Fine: Mm-hmm. Mm-hmm.

Roland Schatz: And you know how seatbelts got implemented in America? Because kids learned about seatbelts, and then the kids from the back seats were getting on the nerves of the parents –

Patrick Fine: That's – that's – it's – I can say from personal experience that that is true. [Laughs]

Roland Schatz: Me too. I just came back from holiday, and my Michelle and Annabella, they are six and three, and – so I told Michelle – because she is now going to primary school, saying "Papa, what are you doing?" And I can't tell her I'm doing index or that crap. So, I told her "Papa is working that we no longer have plastics in the ocean. And I can tell you this is working, because Michelle is getting on my nerves. Every plastic she saw.
Patrick Fine: [Laughs] Roland, let me ask you another question about the Global Sustainable Institute. It has an SDG lab in it. Is that correct?

Roland Schatz: Michael is building the SDG lab in Geneva, where he wants to invite people like you who are doing so many fantastic things around the SDGs. It is impossible, guys like you and your team is doing that, and we don't know about it. Let's have one place where we aggregate and where we collect all this information, where we do the networking so we can become more efficient.

Patrick Fine: From your media perspective, how do you see the lab helping to increase what people see with respect to these objectives and the work being done to achieve them?

Roland Schatz: As I said, I'm fifth generation journalist, and I love this profession, and what drives us is two things. We want to have exclusive access to data, trends. That makes us tick. And then we would like to have exclusive access to experts who are helping us explain to our audience these trends. So, if you have an SDG lab with all the data, and we bring the journalists in, and we offer them exclusive rankings. What is the trend on breast cancer? What is the trend on – or what is the trend on this?

Patrick Fine: I see.

Roland Schatz: That is what drives us as journalists, and if you can keep the promise that you can give us data on a regular base. That is what we need.

We have to do three things. First of all, we need to agree that the UN is only three, not 15 MDGs or 17 SDGs. My grandma does not even know how to spell SDG.

Patrick Fine: I've heard that before in these podcasts.

Roland Schatz: So, we said three, and over lunch, we agreed on the UN as peace, rights, wellbeing.

Patrick Fine: Peace, rights, and wellbeing.

Roland Schatz: Everything that the United Nations is doing, you can aggregate in one of these three baskets.
Second thing, as I said, is we journalists are junkies in regards to data. You have to open your gold mine. Every individual UN entity – WHO, WTO, ITC, you name them – they have to open their database. Not to everybody, only to academics.

And then the third, I need 10 to 15 hours from those who want to be part of this perception change unit, that they devote 10 to 15 hours a month talking with journalists. Public perception, media relations is nothing else than a relationship. I don't understand why so many CEOs or politicians think they can delegate that to PR companies.

*Patrick Fine:* I think that that kind of interaction and representation is core to the role of leaders of organizations.

This has been a terrific conversation. We could go on and on. You've brought such insight into efforts that are going on around accountability, around definition and around perception of the SDGs. So, Roland, thanks so much for being here today.

*Roland Schatz:* Thank you for having me here. It's a pleasure.

*Patrick Fine:* And thank you to our listeners. You can listen to previous episodes of the Deeper Look podcast and stay tuned for upcoming ones by subscribing to Deeper Look podcast on SoundCloud or iTunes. And feel free to leave a comment. Love to get your feedback on this podcast and on other podcasts. I'm sure we'll have lots of comments on this one about perception and media. And join us next month for another conversation.