Re-Measuring the World
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Reaching for the sky in the Austrian Alps? Up-and-coming European executives are not shaking the foundations of the current economic system, but want to see an evolutionary change towards more integrity and sustainability. The main drivers of change are to be creative entrepreneurs and a Magna Carta of European values. Greedy insatiability is not an option for the 30 to 40-year-olds.

A report on Alpbach in Motion 2013

FORUM ALPBACH. A summit gathering of young executives from all over Europe in Alpbach was devoted to the future development of the European economic model. Conclusion: the new business elite does not propose radical changes – but wants to place greater focus on values.

“Do we still need the state at all?” asks Ivan, a bank manager from Croatia, from the back of the line. A few seconds pass with only the sound of gravel crunching under hiking boots, then Arnaud responds: “Oh yes, yes, we do need it, otherwise individuals would go for each other’s throats”, says the man from Switzerland who works for an international cable-network operator. Public authorities remain necessary to safeguard security and the rule of law. “But let’s lower the tax rate to one percent”, suggests Svetla, head of a Bulgarian life-insurance company: in the brave new world of economy, roads will be privatized just like schools. Innovations create value, but there is no clarity as to how an equitable distribution can be ensured.

The group of eight has one-and-a-half hours to think up an economic model for the year 2040. Their task comes with these requirements: “extremely deregulated” and “extremely geared to individual benefit”. The group is on its way to Zirmalm at an altitude of 1,030 metres, passing lush green meadows with grazing cows and houses of uniform Alpine design. A hundred metres in front of the group around Svetla, Arnaud and Ivan, there is also some keen gesticulating going on. This group is discussing the opposite model: “extremely regulated” and “extremely geared to community welfare”.

Alpbach in Motion (AIM), an experiment introduced at the 2013 European Forum Alpbach (EFA), is based on one main theme: in the Tyrolean mountain village which every year turns into a vibrant idea-crunching think tank in the last two weeks of August, 40 executives from all over Europe are to think up a new economic future– in a combination of hill-walking and debate. They are assisted by intellectual top brass such as the Czech economist Tomas Sedlacek, the US whiz Jeffrey Sachs or the design guru Larry Leifer. Manfred Reichl, former head of the Roland Berger consulting company in Austria and Central Europe, accompanies and coaches this emerging-leader summit meeting.

Who are these 40 people? No professional philosophers or economists, but people assuming operative responsibilities. Old enough not to engage merely in cloud-cuckoo theoreticising, but young enough to break out of daily routines. Ambition, eloquence and dynamism galore: there is certainly no need to coax anyone to present their thoughts in front of a group. The group includes the founder and developer of an online symptom search engine for physicians, a German with Afghan roots, the chief financial officer of Billa in Russia, a disaster manager of the Austrian Red Cross, as well as major international groups, start-ups and NGOs. Nurgul, the Siemens manager from Turkey currently on secondment at the Munich HQ of the technology group, has made sure to prepare for the event by reading 1000 pages about economic models and the Euro crisis.
And who knows: perhaps the next-but-one CEO of Nestlé might be found in this group, or the next-but-two EU president, who – it goes without saying – will have been directly elected by the European voters. There is quintessential agreement among the emerging leaders about one thing:

*Total consensus among everyone, Brits or Serbs, Swedes or Spaniards: there is no way around a further deepening of European integration. Eliminating the nation state is the goal. Apart from a common security policy, areas such as energy and education need to be better and much more profoundly co-ordinated. And Europe needs a face, an identification figure both for the outside and internally.*

Impetuous Lourdes from Spain, who manages a women’s network of the international Red Cross/Red Crescent organisations, thinks it high time for new figureheads: “Europe needs leaders who serve the citizens and will not allow a culture of greed to take root.” Who could argue with that?

After the presentation of the two extreme models at Zirmalm comes the first big downer. Franz Fischler, President of the Forum Alpbach and former EU commissioner enters the stage. “The United States of Europe will not fly”; says the ex-politician, black shirt, black braces, beard grown white. The reason Fischler specifies is the “lack of political will”. Hence, many things should be delegated back to the regions from Brussels. He is worried about re-nationalisation, yes, even that the vision of a United States of Europe might increase backing for populist political parties.

Hearing that from one of the most high-profile Austrian European policy-makers comes as a downright shock to many. “We are half Fischler’s age”, says a woman participant, putting things into perspective and canvassing for a little more resoluteness in the group: “We have to build our Europe ourselves.”

This agitated atmosphere is exactly the right setting for the entrance of Jeffrey Sachs, the US economist who became famous for his “shock therapy” in Eastern European states. He paints a disastrous picture of the USA, which, he says, is dominated by the interests of large corporations (“corporatocracy”). Europe, he thinks, is still the most appealing model, although it also has issues with values in his opinion. The “emerging leaders” concur:

> Although many in the AIM group have spent more than half of their professional careers in the years of crisis since 2008, they show no desire to overturn the cornerstones of the European economic model: the social market economy with competition and private ownership is at the centre, and a greater re-distribution of wealth than in other parts of the world is to be upheld. Characteristically for their generation, which is unimpressed by models venerating materialism and making profits above all else, these 30 to 40-year-olds are looking for orientation along ethical lines. They want to write a ‘Magna Carta of European Values’: integrity, accountability, transparency and sustainability are some of the values that should guide the actions of Europeans. In the coming months, they intend to work out the details of the project.

On the way back down to the village, the event designers accompanying the group have them form a circle in the middle of a meadow. The Serbian participant speaks up: she could not understand why almost all the others wanted to return to a stronger state and more regulation, since it had been such a bad experience for them in their own country.

Particularly her colleagues from Eastern Europe are nodding in agreement. By now it has become perfectly obvious that despite all consensus about the future, this next batch of European leaders has brought with them highly disparate pasts.

People who were not born in an authoritarian state but live and work in a prudently reformed welfare state have very different outlooks. Take Sofia from Sweden: she is the founder of Mitt Liv, a company that has received numerous awards and comes in at a point where the state cannot perform at a satisfactory level: the integration of migrants in the labour market, for instance, involving mentoring programmes. Sofia thinks that this type of
third-party provider between state and private operators is going to play “an ever more important role”. Sofia represents a new type of entrepreneur, a social entrepreneur.

*Entrepreneurs occupy a key role in the transformation of the economic system. Unlike the situation in the “noughties”, when the financial industry made everyone believe that you could let your money do your work, the European model will now be shaped by creative minds in the real economy. Particularly the new start-ups are expected to ensure that the old continent has enough innovative capacity. In this context, the AIM hill-walkers have developed a number of ideas: a tool box for company founders, a widely available programme helping entrepreneurs to dock on to “old” environments (working title: “Entrepreneur-in-Residence”) – all walks of life, from administration to big international groups, are to benefit from the small, flexible and creative new companies. And Europe’s economic policy has to be geared to this situation.*

Suddenly, the sound of a moped chugging along becomes louder, followed by a sharp whistle. The gathering is ended by a harsh “Get off my field!”. Not bothering to dismount from his moped, the farmer turns round again and goes back to his farm building. This hands-on lesson inspires the group to take up once more the subject of private property in the economic system and discuss it from another perspective:

*In the new economic system there will have to be different co-ordinates for measuring performance than those prevailing at present. Whereas gross domestic product and its growth rate will, of course, remain an indicator, it will not be the only one and probably not the most significant one. In order to better evaluate factors such as contentment, innovative power or sustainability, societies will need a new set of yardsticks, so-called key performance indicators (KPIs), which look beyond profitability and productivity. Companies and public authorities alike will have to gear their activities to these KPIs.*

This is a topic particularly dear to the heart of Jordan, the giant from Bulgaria, until recently CEO of the state-owned Bulgarian energy holding company: “Such indicators should be introduced in addition to existing reporting systems in order to facilitate the fine-tuning of measuring criteria and a conversion to the new system”, he proclaims.

So it is not to be a revolution, but a step-by-step evolution. On the previous evening, Tomas Sedlacek, former economic advisor to Vaclav Havel, had already postulated that “we have no crisis of capitalism as such, but a crisis of a capitalism that is geared only to growth”: historically speaking, economic-growth fetishism had replaced the one fixated on territorial aggrandizement. At the bar of Jakoberwirt, this idea is pursued further with this entertaining intellectual, author of the book *Economics of Good and Evil*. And then, at some point, *Alpbach in Motion* is transformed to “Alpbach in emotion”. 48 hours, 30 of which were spent working together intensely, inevitably triggers some human bonding.

To be continued? Indeed, there will be a “Summit of Emerging Leaders” and Alpbach in Motion in 2014. The plan is that the members of the first round and the participants of all future events should engage in networking and grow into a community. And Svetla, the Bulgarian insurance manager, comes up with a credo: “Inventing a new economic model in 48 hours is impossible. But something we can actually do in our everyday lives is living as though the future were already here.”