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European Forum Alpbach Ends on a Positive Note Despite Ukraine War and Climate Crisis

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The organisers of the European Forum Alpbach have drawn a positive conclusion after the symposium, held for the 77th time this year. Numerous top representatives from politics, business and science once again gathered in the Tyrolean mountain village to exchange views on the dominating issues such as environmental protection or security policy. Naturally, the war in Ukraine was also a central topic, with "The New Europe" declared the theme for this year's Forum, which saw close to 3,800 attendees from roughly 100 nations.

From an organisational point of view, this year's Forum featured a number of firsts. "We have succeeded in many things, we are on the right path vis-à-vis organisation," summarised the President of the Forum, Andreas Treichl. For example, young people were involved more closely this year. Now and in the future, one imperative setting Alpbach apart remains "that we give the youth, our scholarship holders from Europe and from all over the world, the opportunity to meet with the greatest minds in politics, business, science, art, to be able to form an opinion about the real and genuine and big problems of Europe."

The Forum's cross-disciplinary orientation was also a new feature this year. The traditional series of talks on economics, law, health and politics seen in previous years were replaced by the overarching themes of "The Climate Opportunity", "Securing Europe's Future in a Globalised World", "The Financing of Europe's Future" and "The Future of Democracy and the Rule of Law in Europe".

Ukraine War Exacerbates Global Food Supply Problem

The dominant theme of this year's conference was the war in Ukraine, with an emphasis on the consequences of the war on food supply. Although there is no need to worry about Europe itself, said Martin Frick, Director of the World Food Programme, this does not apply to other parts of the world.

The Ukraine war has become a global crisis accelerator, Frick said. Even before the Russian invasion, a good 275 million people in the world were at acute risk of hunger. Since then, this number has increased by another 70 million. Regions in the Middle East, in North Africa and inland Africa, but also in Latin America are affected. However, it is not the availability of food per se that is responsible, but rather a crisis of distribution. Food is simply not affordable for many people. Minister of Agriculture Norbert Totschnig stressed that Austria is trying to help at various levels, for example with grain transports provided by the ÖBB or support for the World Food Programme.

The microcredit programme set up by the Ministry of Labour and Economy together with Erste Bank is also helping. The programme, created in 2010, will be extended until 2025 and will also support Ukrainian refugees in the future. Going forward, refugees will be able to take advantage of microloans from Erste Bank to finance their rebuilding of their lives in Austria. Since its launch, the microcredit programme has already helped finance close to 1,000 business start-ups with a potential loan volume of more than EUR 10m.

Circular Economy Crucial for fighting Climate Change

Once again, climate protection was one of the Forum's central themes, with the importance of recycling and circular economy being main topics. The times of a seemingly endless supply of raw materials are coming to an end in some places; meanwhile, people are inundated by mountains of waste in many places. Nevertheless, for Roland Pomberger of the University of Leoben, "waste is a scarce commodity", as he explained in Alpbach. Austria would do well to recognise this and try harder to recycle raw materials in the sense of a circular economy, the expert said.

The idea that humanity's handling of the Earth's finite resources has to change as a whole is gaining traction. The idea of circular economy is to break down products into their components again at their end of use by the consumer in order to have starting materials or raw materials for further products available. For Pomberger, this already begins at development and production: if, for example, components of an appliance are glued together or six different types of screws are used, this is "not recyclable".

For Jürgen Janger of the Institute for Economic Research (WIFO), circular economy is more than recycling. The idea should become more prevalent in all sectors. This also applies to research policy and funding. "Austria needs to think bigger," said Janger. The prerequisites in order to be at the forefront of the topic in this country through more investments are

substantial.

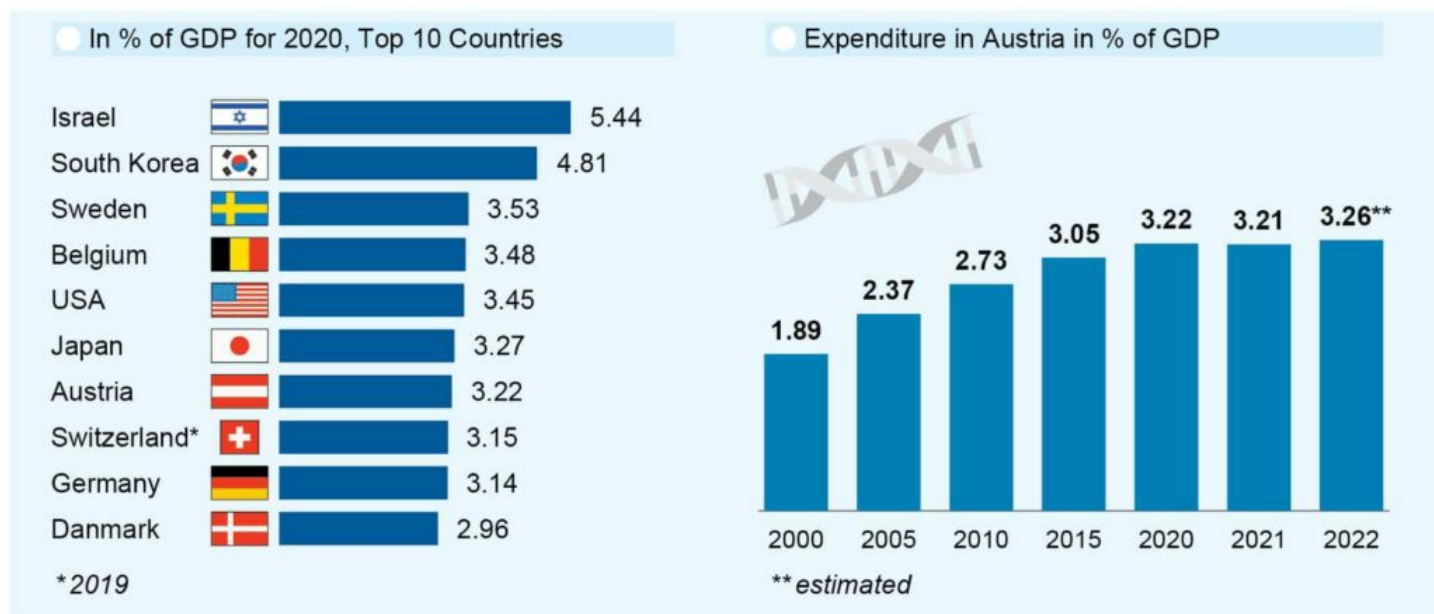
Experts Call for Greater Efforts in Innovation and Research

The demand for more research funding was also a prevalent theme in many other discussion rounds. The Austrian Research Promotion Agency (FFG), for example, wants to promote disruptive innovations with its own programme starting next year. As FFG Managing Director Henrietta Egerth explained in Alpbach, the FFG will apply for the funds amounting to EUR 15m from the Austrian Future Fund, which has made a total of EUR 145.96m available for the current year.

Disruptive, i.e. radical, innovation must arise of its own accord and cannot, of course, be decreed from above, said Egerth: "But what we want to do here is to accompany the ecosystem in which disruptive innovation can best arise more strongly and also support it more systematically."

During the discussion, Minister of Economy Martin Kocher identified a "paradigm change as far as research is concerned". Whereas 20 years ago innovation simply emerged, today there are also stronger strategic guidelines from the EU on the direction research should take. At the same time, in view of the Ukraine war and other crises, research and development could take on a stronger political component. Last but not least, the restructuring of the energy system in the direction of renewable energies requires disruptive technologies. He sees Austria well positioned, but facing major challenges.

Research & Development Expenditure



Commissioned by: Erste Asset Management, source: Eurostat/Statistik Austria

APA-Chart on Demand

Note: Prognoses are no reliable indicator for future performance.

Investor Hermann Hauser sees three "cycles of technology sovereignty" for the future: the USA, Europe and China. All the others, especially the United Kingdom, would have to decide which of these circles they wanted to belong to. Those who do not possess important technologies themselves or have access to them through independent states, will become dependent.

For complexity researcher Stefan Thurner, generating disruptive innovations does not require money alone, but rather the interaction of clever minds: "The question is, what is the critical mass for a region to become good? Talented people go where the best people are." Small improvements in innovation and university rankings are not enough here, he said. "The best students don't go to the university that is ranked 400th," says Thurner.

For FFG Managing Director Egerth, too, much more needs to happen at university level regarding spin-offs and knowledge transfer. "The universities are still dragging their feet." Only a few institutes continuously manage to set up spin-offs, and then often only thanks to individuals who do it "more as a hobby". "We have to do more here and not linger in comfortable mediocrity," said Egerth.

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