



About the Book

FutureValues

by Alexander Birken

This book comprises the contributions of 33 authors who share a deep concern for the wellbeing of our planet. From their individual perspectives they seek to answer fundamental questions regarding the future of our society that deal with sustainability and climate protection, the crisis of globalisation, growing inequality, the digitalisation of business, and the future of education. Further core focus areas of this book are on the role of the world's major cities as platforms for culture, art and architecture, and on the future of consumption in the digital age. The topics approached in this work are also those to which Dr Michael Otto, the entrepreneur and Chairman of the Otto Group Supervisory Board, is personally dedicated.

As an outstanding business figure, Michael Otto has not only played a major role in establishing and expanding the Otto Group as a globally active retail and services group. He recognised the enormous significance of digital innovations for retail very early on, and personally committed to achieving his vision of sustainable, value-orientated business. As a business figurehead, over the decades he has consistently pushed for the business community to assume its societal responsibility. Besides this he is personally engaged as a sponsor and renowned philanthropist in environmental, development policy, societal, medical and artistic projects. On the occasion of his 75th birthday, the Otto Group is therefore publishing this book in his honour.

Dr Michael Otto's engagement provides an excellent example of how business leaders and companies have today themselves become key actors in societal, social and environmental debates. Heads of companies and managers are required to fulfil this new responsibility and to pursue a responsible, sustainable business strategy. For these reasons this book aims to shed light on the broader context in which the Otto Group does business, and at the same time to make a contribution to the public debate on fundamental issues regarding the future of our society. Our world as we know it today is facing numerous paradigm shifts that harbour both opportunities and risks for our generation and those that follow.

The current list of global challenges casts a long shadow over our common future. Climate change, environmental pollution, the extinction of species, scarcity of resources, famine, a lack of clean water and the inexorable increase in energy demand, compounded by global demographic trends above all in industrialised countries, urgently require effective solutions – not just in the political sphere but also from corporations.

There is no denying the success of business globalisation; however, it has also created wholly new problems. Many people have viewed the opening of national markets to global

trade as a threat from the very beginning. In major industrialised nations too, globalisation is increasingly subject to critical questioning. Nationalistic egotism is trumping economic cooperation and is also jeopardising the hard-won gains of the latter with regard to the peaceful coexistence between nations. This because free trade and global economic interdependencies not only represent the basis for action for globally active companies but also provide the bonding force essential for global social cohesion. However, this approach will only work over the long term if large sections of the world's population are no longer denied the benefits of economic development. The market economy must therefore remind itself of the secret of its success and begin once again to give freer rein to its capacity for integration. This can only succeed through greater cooperation between nations and between business actors themselves. A further reason for the rise in populist movements is almost certainly rooted in the growing inequality in the global distribution of wealth. Globalisation can therefore only be set on a new, more sustainable footing if improvements in welfare are more fairly distributed.

Furthermore, in view of growing environmental issues, an increasing number of people doubt whether it remains at all appropriate to base our economic model on permanent material growth. While in western industrialised countries calls for a more sustainable economic model are getting louder and louder, developing and emerging countries are now on a rapid growth track and show no intention of slowing their efforts to catch up. At the same time, above all China as a global power is demonstrating that it is even possible to leapfrog the mistakes of the industrialised nations and pursue sustainable mobility and urbanisation model planning from the very beginning.

An impressive pace of global economic growth is evident overall. Since the beginning of the 1980s the per capita income in advanced national economies has almost doubled, while in emerging economies it has almost tripled. Since the early 1990s, in parallel to a strong increase in the world's population, the number of people living in absolute poverty – which had previously seen a continual increase for decades – has declined by over 1.5 billion. These positive developments have benefited almost all countries on Earth. Among the exceptions, however, are some African states which have suffered wars, environmental catastrophes or severe political instability.

Given the persistent sharp disparities in development between the world's different regions it would be bordering on the absurd to call a halt to this rising level of welfare. In tackling the problematic issue of growth, the western industrialised nations should not focus exclusively on the environmental risks; we also need technological progress and in the long term, a sensible pace of economic growth in order to secure the food supply for a growing global population while working through the long list of global must-dos. Over the decades to come, Africa first and foremost needs to be given a chance of genuine participation in the distribution of labour and rewards of the global economy. Digitalisation and the breathtakingly rapid advance of Artificial Intelligence will help to generate welfare with a greatly reduced environmental impact in future.

At the same time, both business and society need to co-shape the digital transformation. This is not some blind force of nature that threatens to overwhelm us: far more, it presents us with a tremendous opportunity to forge increasingly refined tools for people to use and which will ease routine daily chores – just as robotic home appliances are already doing.

Nevertheless, the automation of more and more routine tasks will eliminate many jobs. New workplaces will only be created for complex management tasks, but these new roles will themselves be subject to digital pressure to adjust. These challenges can only be appropriately mastered through a corresponding level of education and further training. Knowledge will increasingly be better gathered, processed and applied by machines to solve complex problems; it need no longer be painstakingly collated by humans. Instead, the core focal areas of education will be the transmission of cultural methodologies and the management of Artificial Intelligence.

On the heels of the steam engine, electric conveyor belt and the introduction of the computer, with the advent of digitalisation the world is now on the threshold of a fourth industrial revolution. As the real, physical world becomes increasingly interconnected with the virtual world to form the 'Internet of Things', manufacturing plants can increasingly react to market changes almost in real time. At the heart of the intelligent factory of the future is a self-managing system that not only stands out thanks to its higher productivity but also its markedly improved energy and resource efficiency.

These new digitalised production concepts simultaneously open up completely new perspectives for retail. If production can be increasingly organised more individually and less centrally, without renouncing mass-production economies of scale, then the paths from the manufacturer to the end-customer are shortened dramatically. Through digitalisation we will witness a reversal in the flow of globalisation; the centrifugal forces will slacken in that life, work, consumption and leisure time will once again grow together more strongly in spatial terms, and will even increasingly blend. Workplaces will become decentralised and will be close to home, or even at home in the study. 3D printing technology will enable the delivery of many everyday products to the copy shop on the corner. Products will no longer need to be physically present but can be created purely digitally – and will therefore no longer need to be shipped halfway around the globe to reach the consumer, only purchased and delivered with just a click.

Growth, then, is less and less dependent on an increase in consumption of resources. Technological progress has so far ensured a steady increase in productivity; thanks to the efficiency gains it brings, it has also improved the conservation of our precious resources. The crux is – and this book is concerned with this question above all – whether we as a company and members of society are getting smarter overall; whether we will be able to develop intelligent solutions that enable the coexistence of a growing global population in a continually dwindling viable habitat, that prevent climate catastrophes, finally eliminate famine, and offer all human beings the perspective of genuine participation.

*This text is a preprint of the foreword of the Book
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