

## List of Protagonists

RAPOTA, a lady journalist from Rappottenstein, Waldviertel

SCHICKELGRUBER, publisher of Vienna Economy Express

RELUDIUS, editor-in-chief of Vienna Economy Express

LUDIUS, CEO of a global conglomerate by the name of EGT

SCANNERLING, works for Ludius as procurement manager

ASPERGER, director of finance within the EGT group

ERICH HONY, real and ideological founder of the EGT group

PENZINGER, director of the paper mill Bedres & Stassny Inc.

KLIMT, chairman of 17 foundations and joint-stock companies

PYOTR (nickname: *Waserlschurl*), contract killer

PROFESSOR VLESOTY, originator of shopping analysis

KOIN, Jr. and KOIN, Sr., Eurocent coins and narrators

## Prologue

Once upon a time, a female career student with excesses in smoking and gothic clothing had bought a bottle of hard liquor from a supermarket located in the Vienna suburb of Erdberg, close to Fiakerplatz. She paid with a ten and received two coins in change: a twenty-cent piece and a single Eurocent. When hastily trying to stow the liquor in her backpack, her tobacco-browned fingers lost grip of both coins, which fell under the checkout counter and remained there at a secluded place where neither customers nor personnel could discover them. The situation of the two lonesome coins got worse when an employee wiped them farther into oblivion with a floor mop into a gap between the mopboard and the floor.

Despite the fact the floor was wiped clean at the end of each working day cleaning equipment happened to get as close as a few millimeters when it was used, the chances that the two lost coins might get recovered shrank day by day. In the course of endless months, it became evident to the electrons inside their alloy made of copper, aluminum, zinc and tin that they couldn't get free from their imprisonment to see themselves happily reentering their purpose of existence: the regular flow of money. With all remaining might in their quantum-size ganglia, they longed to serve as small change again, but it was all in vain. The earliest moment of getting discovered seemed the installation of a new scanner, but since the chain store had been just recently opened, that seemed ages away. In fact, the tragedy of the twenty-cent piece and the one cent piece took place at the very opening of the store when the chairman of the discount market chain personally attended the grand opening in Vienna-Erdberg. Would it take until the demolition of the site for the coins to be freed? Would they still be fit for use as means of payment then? Already now they were hardly of value. Possibly they would just remain in the rubble even after having been detected since nobody would care. Perhaps some employee would throw them into a jar together with other worthless coins and let them rot there, a transfer from one jail to another. Some stoned student of communication sciences all dressed in weird gothic funeral fashion and distracted by lover's grief had ruined the exciting and diversified career of those two 'zvutshgerl's [Austrian for 'small ones'] during a fit of comfort shopping in the Erdberg EGT store as she had passed on her distress to the coins, unknowingly and accidentally, by sending them to the floor.

As time went by and weeks became months, an unprecedented phenomenon occurred between the two of them. We are sorry no scientist will ever have an opportunity to investigate it, neither the Heisenberg model of localized magnetic moments, nor the Stoner theory of band electron magnetism will ever be applied or tested by the happenings under the counter. We simply have to declare it a result of the combination of deadly dull boredom and absence of perspective that created strange means of communication between the coins, chatting about memories and history stored in some unknown quantum trace of the alloy.

This is how our story starts, narrated by 'Koin Senior' – what the twenty-cent piece calls himself – to the smaller 'Koin Junior' during long days and nights when they were kept prisoner of a discount market of the EGT group, stuck deep under a checkout counter...

## Rapota

Her real name was Walpurga Weinbergbauer. She came from Rappottenstein, an idyllic village in the northwestern parts of the 'Waldviertel', a region in Lower Austria. The main attraction of Rappottenstein is an impressive castle that got its name from the man who placed it there, Rapoto. They say the castle was never conquered, mainly because hopeful siege participants would have frozen to death within a few days while waiting for the surrender. The Waldviertel has a reputation of being one of the coldest regions of Austria, so Rappottenstein felt confident it could enter a contest with some places in Lapland about which is the European center of double consonants and chattering teeth.

Walpurga Weinbergbauer worked as a journalist for the well-known business journal *Vienna Economy Express*. She earned her nickname 'Rapota' from the legendary robber baron Rapoto von Kuenring, who built the aforementioned castle on a steep rock formation in the middle of a deep forest eight centuries ago; his business was robbing the few travelers who were tough enough to dare roaming around in the cold Waldviertel.

Contrary to her namesake, Rapota had her professional ethics, her ideological beliefs and morals founded on sincerity and nothing but the truth. Those were traditional values in this rugged and fascinating lower Austrian region and therefore formed part of her education. She was the typical kind of person who originates from this area; earthy, sometimes gruff and as a rule incorruptible. Her character traits had not been spoiled and did not suffer after years of working in the editor's office of *Vienna Economy Express* either, otherwise a true place of corruption.

Whoever heard her speaking got irritated. She sounded as if her words had to cross long distances until they were emitted to the public after an intricate formation process by tongue and throat. It sounded like she had to translate each sentence from her ethnic Waldviertel dialect first into a resemblance of standard language before pronouncing it. Perhaps the permanent translation efforts had bit by bit transformed her into a true artist of the written word.

For those who listened, her manner of speaking appeared extremely interesting. The prosody of her speaking gave an exotic and paradoxical touch to her presence. She had a talent for conveying emphasis to both outspoken emotions and thoughts. By the tensions found in between how she said things and the plain content of those things, the listener got the impression Rapota was highly concentrated and at the same moment deeply relaxed.

No doubt that meant a challenge for her participants in conversation. No matter how much they tried, they never succeeded in pigeonholing Rapota into one of their pre-determined definitions. Depending on the character or mood of her listener she could elicit an amused smirk or a wary frown. Men and women alike seemed fascinated by her ability to change expressions, expressing many shades.

Despite her enigmatic strangeness, nothing about Rapota seemed artificial or part of a show. She didn't wear make-up. She could depend entirely on her true self: an extraordinary and asymmetrically built face, original ambiguity, and a forceful physical presence. As a result,

Rapota von Kuenring, commonly known as Walpurga Weinbergbauer, embodied a manifestation of concentrated feminine power in the rooms of the editor's office at the *Vienna Economy Express*. Was it the result of a superior immune system acquired by early contact with the millions of viruses and bacteria in Waldviertel flourishing in the warm cowsheds and breezy rooms of her peasant childhood home in Rappottenstein?

Rapota got herself a morning coffee from the espresso machine in the kitchen and walked back to her small office where she switched on her Macintosh. As always, she was welcomed by the most recent issue of the *Vienna Economy Express* on her desk. This was a special day: the opening article on the front page was all the result of her work.

"EGT group shows no mercy – Wilhelmus going bankrupt!" said the headline in large letters. Her arduously investigated report about the bankruptcy of the Wilhelmus Chocolate Company had been placed in top priority position. It was flanked by a large photo showing the entrance gate of the factory complex with lowered barriers, on top of which they had placed a portrait of the EGT group chief executive, Engelbert Ludius. The text accompanying the picture read: "EGT boss Ludius: contracts must be observed."

The lead story was supplemented by an interview on page three, showcasing the same gentleman and granting him a pristine opportunity to give a lecture about his philosophy: "A dozen questions to EGT CEO Engelbert Ludius (Interview by Walpurga Weinbergbauer)"

RAPOTA: Dr. Ludius, you figure as Chief executive of EGT group, one of the largest conglomerates of the world. You are promoting a new economic ideology, new morals for economy. You call it the 'new innovative ideology of Virtualism'?

LUDIUS: Right. It's about time the most popular economic model of 21<sup>st</sup> century, derivative financial products, get its own ideological foundations. Moreover, we have here by far the biggest industry of them all: on just one day you got twenty billion Euros worth of merchandise moved about, for example, and another nine hundred billion Euros' equivalents in credits, swaps, and options. A mere twenty years ago both streams, the one of real products and the other of finance, were about equal in size. Now we have the financial market of constantly on the rise because there is a large quantity of cheap money which has to produce benefits.

RAPOTA: How would you define the essentials of your 'virtualism' ideology?

LUDIUS: I will name you the three foundations of virtualism: First, only a business transaction with no basis on real merchandise is to be regarded as higher-level deal, fulfilling the intellectual demands of virtualism. Second, only a person who is free from the psychological pressure to produce real work as worth will be called a proficient player in dealing with derivatives, and a truly liberated mind that is. Third, not just anyone can play this virtual game; you need the intellectual brilliance for moving glass beads through your fingers and demonstrate ability with highly complex derivative financial products.

RAPOTA: I think this needs further explanation.

LUDIUS: Didn't I make myself clear enough? It's simple as pie. Just try to imagine producing things and doing business with derivatives are types of card games. To put it into

plain words for you: if the production of real goods is 'Go Fish', then dealing with derivative financials is a sophisticated Bridge game.

RAPOTA: You don't say! We often hear that capitalism and market economy are in trouble. What is your opinion about that?

LUDIUS: Where do you get the idea we are still in the age of capitalism? I tell you; we have been in the age of virtualism for a couple of years already. Capitalism is dead, hail virtualism! [laughing] ... Seriously, madam, in the last decade or so, speculation based on financial derivatives has already won the match against old fashioned capitalism based on real stuff, not closely but head and shoulders above. This also became possible by luring many mutual savings banks and business banks to structured financials, especially CDSes.

RAPOTA: Please tell our readers what CDSes are.

LUDIUS: I thought this is an economic journal and not a magazine for housewives? [laughing] Okay... CDS is the abbreviation for 'Credit Default Swaps'. Those are complex financials. In simplistic terms, CDSes are bets on the bad luck of other guys. Hopefully the other guys are unlucky while we are lucky, that is.

RAPOTA: I'd like to know the details, please.

LUDIUS: Very well, I will lower my level a little bit further for you: Imagine, you have your house insured against fire and it really burns down. You will most likely get an indemnity payment from your insurance company. But... if I am insuring your house via CDS against fire and it burns down, it is me who gets the payment.

RAPOTA: And what do I get as the house owner, suffering the damage?

LUDIUS: You are funny indeed. [laughing] You get nothing! That is exactly the magic about CDS: you have the damage – and I get the indemnity. Such things as CDSes are increasing by hundreds of billions in value. But nobody actually knows who the owner is. Doesn't it remind you of the 'Old Maid' game? No wonder some banks are refusing to lend money to each other.

RAPOTA: Would you consider the American dream – from dishwasher to Billionaire – still alive?

LUDIUS: Sure, I do. But there is a shift regarding who is seen as idols by new MBA graduates. The idols are no longer the entrepreneurs of the former real market economy – obsolete heroes like Henry Ford – but the new idols are the kings of virtualism. Some of them have written absolutely amusing books about housewives speculating in the commodity market who have their mind on gaining some extra income from their cooking ingredients by dealing with futures.

RAPOTA: Speculating with raw materials, like grain? Isn't it a bit immoral?

LUDIUS: Listen. I will tell you a secret: there was a lot of silly gossip around about raw materials. Like the growing of biofuel would be responsible for crop prices going up. It's nonsense using such explanations for price development in the commodity market, I say.

Equally stupid like judging the quality of an object pictured on a digital photo without knowing how it looks like in reality. Get what I mean?

RAPOTA: Frankly... no.

LUDIUS: Options dealing in the commodity market is like digital photography: you never know what the original is going to be; it could be non-existent. Wheat, coffee, concentrated juice, corn, soy, sugar, cocoa, etc. all get bought and sold dozens of times, virtually. This happens while in reality only a part of the amount really exists. Options mean you are dealing with digital pictures of the raw materials, not with actual merchandise. You won't need the merchandise anyway. Each 'photo', each contract is like an investment into a piece of art. There are only two possibilities: top or flop!

RAPOTA: I am definitely sure there are undesirable effects when you speculate with staple foods! Not only for the poorest of the poor, but also for the food industry. Prices for raw materials have gone up and down like crazy since high-profile investors entered into their speculation. Look at the FAO – Food Price Index of United Nations. It monitors the prices of five essential product groups month after month, as well as seventy-three of the most important raw materials used for foods. From 2009 to 2019 the price index went up from 127.2 to 181.5, meaning an increase of 43 % in the last ten years.

LUDIUS: Now you are beginning to see the light! You realize how fascinating virtualism is? Real production of goods is quite boring in comparison. Virtual money is also better than real money since it has the habit of achieving higher interest rates than values being invested into production or services.

RAPOTA: May I ask you then, with my alpine frankness and switching off my restraint: do you want to say everybody who is still producing things is a plain idiot?

LUDIUS: Not quite so blatantly outspoken. [laughing] You gotta understand that production and real economy are no longer topics for developed countries. Even the hard-boiled social romantics have understood that we no longer in the age of production but in the era of information. Information, that's knowledge about virtuality. Who has the virtual knowledge, has the power? Without virtual knowledge you do not belong to the insiders and without this you aren't able to conclude insider deals – what are you then? – A nobody, in economics.

RAPOTA: Dr. Ludius, let me ask one final question: the chocolate factory Wilhelmus, a company with a long tradition, is about to be closed due to bankruptcy, people say, and more than five hundred jobs are at peril. The reasons for this, again people say, are the enormously rising costs for raw materials seen recently, especially cocoa, the most important ingredient for producing chocolate. Some observers claim that speculation is responsible for this. But there has also been a very bad harvest this year and a wholesale company allegedly purchased 8.5% of the available crop. This resulted in an artificial shortness in supply. Furthermore, we have heard of rumors spreading in the industry that suggest the EGT group has not agreed to grant a price reduction from Wilhelmus in order to cope with the difficulties. Is that true?

LUDIUS: Sure it is. Contracts are to be observed, as the old proverb says. It is not our business to cover the risks of our suppliers and contractors. Let it be their own concern. Why else do we have hedging? What is the purpose of futures contracts in the field of raw materials then? Wilhelmus Incorporated has been operational for over a hundred years. But times, they are a-changin'. We are responsible for our customers and we work for the interests of consumers. The workplaces under control of suppliers have to take care of themselves. We enjoy our premium market position thanks to our own hard work and for being trusted by our customers. They want to have inexpensive, affordable merchandise that offers a good value and quality. So you have to believe me when I say: price rises are the least of what our customers want.

RAPOTA: The jobs at your long-term contractor, Wilhelmus Chocolate Company, with all its tradition, mean nothing to you?

LUDIUS: I can't deny it's a pity. I have to repeat myself though: supply contracts have to be observed. Our customers expect this from us, and we are acting on their behalf. Each manager has to take care of the jobs in his own company and provide an attractive range of goods at affordable prices to his customers. We take responsibility for that. Look how we developed the share of organic products in our lineup. For this – as well as for our initiatives and activities in the sphere of Corporate Social Responsibility – we earned three awards in the last year alone, not to speak about the much renowned federal prize for advertising the domestic economy.

RAPOTA: Thank you very much, Mr. Ludius, for the interview.