

MGI Essay Prize: Crowdsourcing ideas for revitalizing growth in Europe

McKinsey Global Institute October 2016

After receiving several hundred essay submissions on how to pump life into Europe's economy, the judges awarded prizes in a McKinsey Global Institute contest.

What reforms does Europe need to restore dynamism to its economy? How could it implement them in a way that would be palatable to the public and politicians alike? The McKinsey Global Institute (MGI) report *A window of opportunity for Europe*, published in 2015, included a targeted set of measures to answer that first question, about the *what*. To address the complex issues of *how*, we decided to throw the second question open to a much larger global audience by crowdsourcing the answer.

The result was an essay contest: the MGI Opportunity for Europe. Launched in March 2016, it offered a first prize of €60,000 for ideas to translate economic theory into political measures that would both appeal to voters and help restore Europe's pep. The contest also offered a €25,000 prize for the best submission by an author under the age of 30. Jean-Claude Juncker, president of the European Commission, agreed to serve as contest patron.

By our deadline, July 31, we had received 401 submissions from all over the world. Just under half of them came from outside Europe, and entries by authors under 30 years of age were not only plentiful but also among the best. Overall, the essays touch on a wide range of subjects. Whatever the diagnosis, a common refrain is the belief that Europe currently lacks an imaginative vision or a clear sense of purpose, that its leaders can seem aloof from the daily concerns of ordinary people, and that in a changing world the very idea of Europe no longer inspires or comforts ordinary citizens. "Europeans don't fear change; they just fear being left behind by it," as one essayist put it.

To win back a skeptical public and reconnect Europeans with Europe, the essayists offer a range of ideas, including greater transparency and communication, institutional reform, and improving the adaptability and accountability of a system that seems to have lost touch with ordinary people. One essay proposes the "largest public consultation in EU history": a one-year or longer "engagement for growth" discussion. Others suggest bringing more people together—for example, by broadening the existing Erasmus program for student exchanges to include apprentices or young professionals or by launching prize competitions or digital platforms to crowdsource innovative ideas.

As for the economic measures needed, the decline in government, corporate, and household investment since the 2008 financial crisis is a major theme. The largest number of

submissions focus on how to boost investment, in some cases by circumventing EU limits on fiscal deficits and debt. The proposals include unconventional measures the European Central Bank could take to stimulate household demand by using “helicopter money;” tying new spending to specific policy goals, such as improved healthcare, as well as efforts to tackle climate change and other sustainability initiatives; and changing accounting rules so that major government infrastructure programs would take only depreciation into account. Digital technologies are widely seen as significant enablers of change—helping to create new efficiencies, to raise productivity (including the public sector’s), and to overcome structural issues (for instance, high unemployment in some EU countries).

After several rounds of careful consideration by McKinsey and external reviewers, our distinguished panel of prize judges, chaired by Pascal Lamy, former director-general of the World Trade Organization and an ex-European commissioner, met in Brussels in late September to pick the winners.

The award for the best essay by an author under the age of 30 goes to Antoine Levy, a 23-year-old French national who is currently a PhD candidate in economics at the Massachusetts Institute of Technology. Professor Volker Brühl, managing director of the Center for Financial Studies at Goethe University (in Frankfurt, Germany), and Dan Ciuriak, director and principal of Ciuriak Consulting (in Ottawa, Canada), shared the main prize.

Mr. Levy’s essay, “Reforming Europe by the people, for the people: An adaptive, acceptable, and accountable reform program,” is a nuanced attempt to tackle a key question of political economy—how to make reforms in Europe palatable to a disenchanted public. His proposals, addressing ways to compensate losers of reform programs, include offering workers in industries affected by foreign competition shares indexed to GDP growth.

Professor Brühl’s essay, “Three cornerstones of a European growth initiative,” proposes a three-pronged strategy: a national growth and investment agenda, a pan-European cluster strategy, and a modified fiscal compact to unlock additional investment.

Mr. Ciuriak’s essay, “Rebooting Europe,” proposes radical monetary shocks to unblock European investment and restore growth. He advocates ending quantitative easing and raising interest rates to reprice labor relative to capital; canceling excess public-sector debt in heavily indebted European countries without worrying about moral-hazard implications during times of crisis, such as the one we are in now; and reorienting industrial policy to stimulate public investments. [□](#)

[You can download a booklet containing a discussion of the context and objectives of the prize, the report from judging-panel chair Pascal Lamy, a summary of key themes in the essays, and the full text of the three winning entries. Jyrki Katainen, vice president of the European Commission, wrote a foreword. The prizes were awarded on October 12 at a dinner in Brussels hosted by Friends of Europe, MGI’s think-tank partner for the contest.](#)