European Parliament

Foresight for resilience: The European Commission's first annual Foresight Report

Summary

Strategic foresight can help near-term recovery become resilient over the long term. This is the key message of the European Commission's first ever annual Foresight Report. The coronavirus crisis has shown the interconnectedness of today's world, as well as the difficulty of effectively identifying and communicating emerging challenges. More than ever, systematic and participatory work to explore both opportunities and vulnerabilities, and to tease out synergies across sectors, is needed.

Background

With the 2020 Strategic Foresight Report, the effort to enhance the EU's foresight capacity moves to a new phase. This is a response to the present pandemic and to earlier crises that called into question the effectiveness of EU horizon-scanning. It also takes forward the work of the interinstitutional ESPAS network, which has pressed the case for anticipatory governance through its activities and reports on global trends.

The report examines EU capacities, vulnerabilities and opportunities across four priority areas: socio-economic, geo-political, green, and digital. It emphasises the connections between sectors. One example is the interplay between new technology, job creation, education needs and stakeholder interests. Another is the case of critical raw materials. Reducing dependence on these can have benefits across the green, digital, strategic and economic agendas.

Economic and social sphere

Challenges abound in the wake of the pandemic. According to the report, 'economic, gender, skills, regional, and ethnic inequalities have all worsened'. Regional inequalities and the problems of rural areas mean that a 'geography of discontent' must be addressed.

In order to reinvigorate Europe's social market economy model, social and fiscal reforms need to be aligned with the objectives of inclusiveness, digitalisation, decarbonisation and sustainability. Resilience involves not simply the maintenance of existing social systems, but also adaptation to ensure that they thrive in the future.

Public and private investments are key to resilience and recovery, but there are questions about the narrow focus on gross domestic product (GDP) as a metric. A well-being index may well be more suitable now.

Open strategic autonomy

Against a background of renewed international tensions, the report suggests that 'the EU needs a common understanding of the security environment'. Threats to cybersecurity are accelerating; key infrastructure must also be made more resilient.

But strategic autonomy cannot be seen as purely defensive. Quite the opposite. The report sees an opportunity to revitalise the rules-based multilateral order, based on the realisation that 'global challenges require effective, agile international cooperation and common solutions'. Trade remains central to the EU's power and resilience, and the promotion of a level playing-field can address existing vulnerabilities. Production capacity in Europe needs attention, especially in strategic sectors.

A green future

Environment policy can benefit from greater foresight capacity as it negotiates both huge challenges and huge opportunities. The International Labour Organization (ILO) suggests a well-managed shift to a greener economy could create 24 million new jobs globally by 2030. Clean, circular production can drive both competitiveness and growth. Environmental restoration will become increasingly important.

The stakes are high; global warming of 3 ℃ would result in a loss of 1.36 % of GDP, or over €170 billion a year –as well as tens of thousands of lives. Digitalisation has an environmental cost: the mining of bitcoins is reckoned to consume more energy than Austria or Czechia, while the global footprint of the tech sector is similar to that of the aviation industry.

Resilience is improved if growth and wellbeing can be decoupled from consumption of natural resources with the attendant environmental impact; this long-term challenge calls for long-term policy planning.

Digital opportunities and vulnerabilities

Opportunities abound in the digital sector; new technologies have a positive impact in several areas, from enhancing healthcare and the delivery of public services to augmenting productivity and reducing carbon footprints.

There are significant risks, including the accentuation of inequalities, the erosion of individual rights and the further spread of disinformation intended to undermine democracy.

Modern, secure, and high-speed infrastructure can help overcome today's digital divides, whether social or between urban and rural areas. Structured foresight analysis can examine ways to steer innovation towards outcomes which mesh with the goals of inclusiveness, sustainability, democracy and security.

Strategic foresight as a resource for governance

The Commission report sets out several foresight techniques which will inform its policy-making.

- **Horizon scanning** is critical to the early identification of emerging threats.
- **Scenario development** can give a framework for high-level debates on preferred futures.

Another innovation is the use of resilience **dashboards,** alongside existing monitoring work on the Social Scoreboard and the Sustainable Development Goals. Dashboards are at the meeting point of foresight and policy. They offer the opportunity to compare where we are with where we want to be.

Identifying **roadblocks** is a first step towards designing instruments to overcome them, and to channelling resources to vulnerable areas.

They are all the more important at the **intersection of levels** of government. Linking the levels can help towards greater synergy between actions at regional, national and European level.

A similar approach has been followed by a risk mapping and capabilities and gaps mapping produced by the European Parliament as think pieces for the Foresight Report. This is a step towards systematically matching capabilities, at regional, national and EU levels, to the risks identified as most serious. As the EP risk mapping notes, there are high-impact risks for which the EU level currently has no available instruments; this needs particular attention.

The initiatives set out in the report, taken together, can align policy and planning across the geopolitical, green and digital areas, and thereby enhance social and economic resilience in the long run.

Conclusion

Strategy is a process, not an event. Recognising this, the Commission's first Foresight Report emphasises the importance of a broad-based and participatory approach. Thus the ESPAS Conference will see the launch of an EU-wide Foresight Network, including both European and Member State bodies, and involving the private sector and independent experts. The Commission also anticipates that foresight work can contribute to the Conference on the Future of Europe.

Foresight is relevant across the entire policy cycle, and improved foresight capacity is all the more valuable a resource at a time when a pandemic has brought such acute challenges for governance in Europe and around the world.