

ESDN Youth Network Policy Note

September 2026

Resilience 2.0: Strengthening long-term economic resilience -increasing the ability to deliver sustainable and inclusive growth (circular economy and a resilient labor market)

Introduction

In 2020 the [European Sustainable Development Network](#) established the ESDN [Youth](#) Network, which is funded by the German Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety.

Its yearly on-site event, the **ESDN Youth Workshop 2026**, took place on **12–15 August 2026** in Vienna at the Austrian Ministry for Agriculture and Forestry, Climate and Environmental Protection, Regions and Water Management, brought together more than 42 UN Youth Delegates and National Representatives on Sustainable Development (SD) from 31 European countries to discuss issues most relevant to them.

The overarching theme of the Workshop was “**Resilience 2.0**” as described in the [2025 Strategic Foresight Report - European Commission](#). Four of the eight areas of action mentioned in the report were dealt with in more detail according to a ranking carried out by the ESDN Youth Network:

- Supporting sustainable and inclusive well-being
- Strengthening democracy as a common good
- Developing a coherent global vision for the EU
- Strengthen long-term economic resilience

Over the four days of the Workshop, Youth Members heard input from experts on all of

these topics and were given ample opportunity to discuss these topics and issues with one another.

The main goal of the Workshop, apart from providing a space for Youth Members to exchange ideas with one another, was to produce a policy document with recommendations on the topics covered throughout the Workshop. This was done by the Youth Members working in smaller groups on five different issues. This Policy Note focuses on Core Issue 3. The other Policy Notes are available separately, as well as in one complete document.

- **Core Issue 1: Reimagining education - coupling education reform with future-oriented labor market and social policies**
- **Core Issue 2: Strengthening democracy as a common good: countering polarization, supporting community building and safeguarding democratic standards**
- **Core Issue 3: Strengthening long-term economic resilience -increasing the ability to deliver sustainable and inclusive growth (circular economy and a resilient labor market)**
- **Core Issue 4: Developing a coherent global vision for Europe - asserting Europe’s position as a strong, stable, and trusted worldwide partner, based on a clear strategic concept**
- **Core Issue 5: Sustainable and inclusive well-being**

Strengthening long-term economic resilience -increasing the ability to deliver sustainable and inclusive growth (circular economy and a resilient labor market)

Economic resilience, in times of disruption arising from transition stress, whether driven by decarbonization, technological change, AI, or geopolitical supply shocks, is becoming a key priority for European policymaking. The actions proposed in the following section focus on two areas that are particularly important for building long-term economic resilience.

Firstly, pursuing circular economy principles can help reduce Europe's dependence on primary materials, in general, by using what is already in existence within Europe by recycling materials, using them longer, and finding other uses for materials that would otherwise be discarded, which can strengthen economic resilience by reducing Europe's dependence on resources from outside its borders, and thereby minimize its exposure to supply disruptions and vulnerability to volatile global markets.

Fast fashion, for example, is particularly (but not exclusively) relevant to young people due to its connection to identity and self-expression. While shifting from fast fashion to second-hand clothing is a step in the right direction, it does not necessarily reduce overall consumption. Building greater resilience therefore also requires changing consumption patterns and enabling young people to contribute through more conscious and resource-efficient purchasing habits.

Secondly, labor market resilience in the face of the growing impact of AI and robotics on economic restructuring and the potential displacement of jobs in certain sectors is also an important aspect to consider. A resilient economy requires a workforce that can adapt to technological change, acquire new skills, and transition into emerging areas of employment. This is particularly relevant for young people

who are entering a labor market increasingly shaped by AI and automation.

Resilience 2.0 treats resilience as a supply-side project: secure the supply chains, the critical resources, the key industries. That is procurement, not resilience. It says nothing about what a society can produce without importing, who owns it, and whether people can move when their work changes, and those questions decide which generation pays for a transition, and which one collects the return.

Policy Recommendations: Circular Economy

Circular economy is where that gap is most concrete. Europe imports close to 100% of its heavy rare earth elements from one dominant supplier and recycles under 1% of them, while the value it already owns sits untapped: unrepared clothing, unrecycled electronics, filters and packaging built to be thrown away once. Fast fashion is the clearest illustration. Cheap, short-lived garments are a resource strategy, and every one that is not repaired is a resource Europe re-imports to replace. The EU's circular material use rate stands at 12.2%, against a 2030 target of 24%. Repairability laws, deposit systems and durability disclosure already exist in some European countries; what is missing is the political will to generalize them.

Therefore, we recommend to:

- **Make the labor cost of repair tax-deductible.** Allow consumers to deduct the labor cost of repairing clothing, appliances, electronics and bicycles from taxable income up to an annual ceiling. Repair loses to replacement on labor cost; unlike a voucher scheme, a deduction reaches every repairer automatically and cannot run out mid-year.
- **Obligate producers to repair their own garments** at a price capped at 30% of the original retail price. For five years after purchase, the producer, not the retailer, must repair common damage for no more than 30% of the original retail price, or refund. Because the cap is a share of

the price the producer itself sets, cheap garments that fail become losses while durable garments cost nothing. The Right to Repair Directive, which obliges repair "at a reasonable price" never defines a reasonable price, and it also excludes clothing.

- **Date every garment** and put reviews of that brand's products in the digital product passport. This can be done by putting the production year on each garment, so consumers can see when it was made and how long it lasted. Let the QR code in the garment open reviews of that product category from that brand, so quality is visible before buying rather than discovered afterwards both for firsthand and especially second-hand buyers.
- **Replace the flat two-year guarantee** with category-specific minimum periods that rise with the market and are recalculated every three years as the volume-weighted average of guarantees actually offered — a floor most of the market already meets, which rises whenever any brand extends its own. Display it next to the price.
- **Introduce a deposit on reusable takeaway packaging**, returnable anywhere in the city at automated return points rather than only at the outlet that sold it, mandatory above a size threshold. Deposits recover 90–98% of containers wherever they operate.
- **Ban advertising for high-carbon products in publicly owned and licensed space** by restricting advertising for meat, aviation, cruises and fossil-fuel vehicles on publicly owned and licensed space — transport hubs, street furniture, municipal media — phased in as contracts fall due. A state that funds climate policy while renting bus shelters to advertise long-haul flights is cancelling itself out.
- **Ban plastic cigarette filters and single-use e-cigarettes**, since filters are 21% of all single-use plastics on European beaches and deliver no health benefit;

single-use vapes bin lithium Europe is spending public money to secure. Policy window: the Single-Use Plastics Directive, whose review falls due by 3 July 2027, and the revision of the Tobacco Products Directive.

- **Implement policies and strategies that strengthen the reduce, reuse and recycle mindset**, as countries can significantly influence young people's purchasing habits and help break the harmful cycle of overconsumption driven by low-quality products.

Real world examples:

- **Sweden's Renovering, Ombyggnad, Tillbyggnad** (Renovation, Remodeling, Extension) and **Rengöring, Underhåll, Tvätt** (Cleaning, Maintenance, Laundry) **deductions** cover 30–50% of labor costs for repair and maintenance work
- **Vienna's Repair Bonus** (*Wiener Reparaturbonus*) is still working out the most sustainable form, but it demonstrates that governments are already willing to directly subsidize repair labor to make repair economically competitive with replacement.
- Commercially it is proven at scale: Nudie Jeans (Sweden) repairs its jeans free for life, and Decathlon (France) runs in-house repair services across its stores.
- EPREL, the EU's own energy labelling register, already works the way we propose: a QR code on the product label opens a public database, with a separate closed area for market surveillance authorities.
- France grades products with a mandatory repairability index
- Denmark, Finland, Sweden and the Netherlands have already abandoned the flat two-year rule and apply an "expected lifetime" standard instead.
- Aarhus became the first city in the world to put a deposit on takeaway coffee cups, refunded automatically to the customer's

card at 25 return machines. First year: over 750,000 cups returned, an 85% return rate, 84% user satisfaction, and the most-circulated cups completing 33 reuse loops.

- France became the first European country to ban fossil fuel advertising, and Amsterdam is the first capital city to ban advertising in public space for both fossil-fuel products and meat, covering beef, pork, chicken, fish, airlines, cruises, petrol and diesel cars and long-haul travel
- The World Health Organization calls on policymakers to treat cigarette filters as single-use plastics and to consider banning them (Tobacco: Poisoning our planet, 2022).
- On single-use vapes, the precedent is already established. Belgium became the first EU country to ban them.

Policy Recommendations: Labour markets & AI

Secure autonomy is the same argument applied to people. A supply chain can be resilient and still leave workers with no stake in the industries reshaping their jobs, which is exactly where the AI transition stands now: nearly a quarter of European employment sits in occupations highly exposed to AI-enabled automation. EU law already guarantees citizens a vote in energy infrastructure through energy communities; nothing equivalent exists for AI. That gap is a resilience failure in the same sense as import dependence: it leaves Europe's capacity to adapt in someone else's hands.

Both land hardest on young people, who hold the fewest assets, the least job security, and the least say over how either transition gets designed. Youth unemployment stands at 15.5%, and young workers in AI-exposed jobs are already seeing employment fall well below where it should be, with no comparable gap among experienced workers. Circular economy and secure autonomy are two places Europe can build the pathways Resilience 2.0 currently lacks.

Problem statement:

How can Europe prepare young people for labor markets transformed by AI and advanced robotics, while ensuring that access to new opportunities, skills and productivity gains is distributed fairly across workers, communities and regions?

Europe risks leaving a generation behind: almost 3 million young people are unemployed in the EU, while one in four workers globally is already in an occupation exposed to generative AI. As AI and advanced robotics transform both cognitive and physical work, employer projections suggest that structural labor-market change could affect up to 22% of current jobs by 2030, according to the World Economic Forum. In addition, only 74% of EU residents aged 16 to 24 had at least basic digital skills, meaning that approximately one in four young people did not reach even this threshold.

Therefore, we recommend to:

- **Equip young people with future-relevant, adaptable skills**
- **Ensure employment opportunities and productivity gains are shared fairly** rather than concentrated among a small group of technology owners.

As AI tools have become more capable of performing tasks traditionally assigned to juniors, youth employment in AI-exposed occupations stands 19% lower than in less exposed sectors.

Therefore, we recommend to:

- **Complement young professionals** through a quota system that sets a minimum ratio of junior employees relative to a company's headcount.

Real world examples:

- France has operated a version of such a mechanism since 2015 through its *contribution supplémentaire à l'apprentissage* (CSA): companies with 250+ employees whose share of apprentices and work-study contracts falls below 5% of their workforce pay a progressive financial penalty.

Translating such a model in the EU context would help guarantee that firms continue to invest in entry-level talent, as they turn into the next generations of senior talent. This is not only a matter of fairness in the short term, but a long-term investment: a generation that is locked out of skilled, engaged work now will leave a lasting gap in Europe's future workforce.

Therefore, we recommend to:

- **Support young people who need to change careers** as their occupations change. A graphic designer whose role is increasingly automated, for example, should be able to access resources like an upskilling scholarship. Such a fund would allow them to learn essential skills for Europe's net-zero, circular economy.
- **Regulate AI so that it plays a role in preserving the value of junior work.** Certain tasks should remain subject to mandatory human control and sign-off, not only for safety or quality reasons. Keeping this human element in these systems is vital to make sure that trust in institutions and societies remains strong. Graphic design is one example: output generated or assisted by AI should still require human approval and involvement to make sure that the human touch that we base so much trust on remains.
- **Subsidize junior positions directly** at companies of all sizes but with a particular focus on SMEs. These subsidized roles, which could take the form of graduate programs, should be designed around the notion that the companies teach their employees to work with AI. In this way, Europe will maintain a young workforce that is highly skilled and in control of AI instead of being victims of this technological revolution.