ESDN DISCUSSION PAPER

ESDN Youth workshop 2024

Discussion paper

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CONTACT:
ESDN Youth Support Team c/o Institute for Managing Sustainability
Vienna University of Economics and Business
Welthandelsplatz 1, A-1020 Vienna, Austria
mariia.kostetckaia@wu.ac.at and Ursula.kopp@wu.ac.at
+43-1-31336-5453

You can find the Youth Section on the ESDN website www.ESDN.eu/youth

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Introduction

The primary aim of this discussion paper is to prepare participants for the ESDN Youth Workshop in Berlin, scheduled for 4-7 September 2024, by providing essential background information on the topics to be discussed. The paper also includes links to additional readings for those who wish to delve deeper into the subjects, as well as basic information about the speakers.

Participant Statistics:

- **Number of Participants**: 33 Youth Delegates and Representatives, along with other active youth members, from 19 European countries will participate in the workshop. Of these countries, 15 are EU Member States, and 4 are other European nations.
- **Age Range**: The youngest participant is 18 years old, while the most experienced is 28. The average age of participants is 24.
- **ESDN Members**: Approximately 10 ESDN members will be attending the workshop.
- **External Speakers**: There will be 4 external speakers.

Strategic foresight work and scenarios

The primary objective of the ESDN Youth Workshop is to explore the construction of a sustainable and climate-neutral future in Europe, focusing on the role of young people in this process. To facilitate an interactive experience, the Workshop will employ a strategic foresight approach. Participants will engage with potential scenarios for Europe's future through a scenario game developed by the Joint Research Centre (JRC) of the European Commission.

But what is strategic foresight, and how can scenario-building and exploration tools be useful in the context of the ESDN Youth Workshop?

Foresight involves looking ahead to potential future developments to shape a desirable future by gathering and using collective knowledge in a structured manner. Strategic foresight, specifically, integrates these future insights into policy-making and planning, helping organizations, municipalities, regions, or countries prepare for upcoming challenges and opportunities.

Rather than predicting the future, strategic foresight examines various possible futures and the potential benefits and challenges they might present. The main goal is to assist policymakers in making informed decisions today that will influence future outcomes.

Scenario planning is a crucial component of strategic foresight. In scenario planning, analysts often create simulation games to help policymakers explore potential future

situations. These simulations are grounded in a mix of known facts, such as population data, geography, and natural resources, along with critical information from military, political, and industrial sectors. They also incorporate key factors like social, technological, economic, environmental, and political ("STEEP") trends.

By integrating these elements, scenario planning enables policymakers to consider different future possibilities. It helps them understand how various factors might interact and anticipate the outcomes of their decisions. The primary aim is to provide a practical tool that aids leaders in making better decisions in an uncertain world, preparing them for diverse futures, identifying risks and opportunities, and developing flexible strategies that can adapt to a range of scenarios.

At the ESDN Youth Workshop on 5 September, Sylvia Veenhoff from the German Environment Agency will delve deeper into strategic foresight and scenario planning, explaining their relevance to policymakers and other stakeholders.

Following Sylvia Veenhoff, Dr. Miranda Böttcher from the German Institute for International and Security Affairs will share her practical experience of conducting a foresight planning workshop with the SWP Climate Cluster team. The workshop aimed to engage researchers working on climate policy to identify the various interconnected factors that could significantly impact national, EU, and international climate policy by 2030, providing a framework for a forward-looking discussion of policy recommendations. The outcomes of this workshop were published in a working paper titled "Foresight: Multilevel Climate Policy in 2030", which you can refer to for more information.

Benefits of foresight work and scenario exploration for the youth

Scenarios are not just valuable tools for policymakers; they also offer significant benefits for young people across various fields and career paths who aspire to influence decision-making in their countries and make a difference in the world. These benefits include:

1. Understanding Complex Systems: By participating in a scenario exploration process, young people gain a better understanding of the complex systems and factors that influence policy decisions.
2. Developing Strategic Thinking: Engaging in scenario games encourages young people to think strategically about the future. They learn to anticipate different possible outcomes, recognize potential risks and opportunities, and consider long-term impacts. This kind of thinking is essential for effective policy-making.
3. Enhancing Collaboration and Communication Skills: These games often involve teamwork, where participants must collaborate, debate, and communicate their ideas effectively.

4. Encouraging Creativity and Innovation: Scenario exploration fosters creative thinking by pushing participants to imagine a wide range of possible futures. This openness to new ideas and possibilities is crucial for developing innovative solutions to societal challenges.

Overall, the foresight scenario exploration process equips young people with the knowledge, skills, and confidence they need to contribute meaningfully to policy-making and influence positive change in their communities and beyond.

Towards a Sustainable, Just, and Climate Neutral Europe by 2050

The scenario exploration at the ESDN Youth Workshop will be based on the European Commission's Joint Research Centre (JRC) foresight study, "Towards a fair and sustainable Europe 2050: Social and economic choices in sustainability transitions".

This foresight study examines the potential and necessary changes in Europe's social and economic systems as the EU navigates sustainability transitions leading up to 2050. It identifies key strategic areas for intervention, including establishing a new social contract, governance for sustainability, the relationship between people and the economy, and adopting a global perspective on sustainability. The study emphasizes the role of various EU actors, including governments at different levels, businesses, and communities, in addressing these strategic areas as part of a collective effort toward sustainability transitions.

Based on a participatory foresight exercise, the study produced four scenarios for achieving a climate-neutral EU by 2050, each leading to the co-creation and analysis of a corresponding transition pathway. These outcomes serve as valuable resources for policymakers and practitioners interested in developing new participatory approaches to sustainability transitions.

During the workshop, participants will explore these four scenarios – *Eco-states, Greening through Crises, Green Business Boom, and Glocal Eco-world* – in a game environment moderated by Yannick Dujardin from the JRC. The scenarios will be discussed in more detail later and will serve as a starting point for imagining a sustainable and climate-neutral future in Europe, as well as the political steps required to achieve this vision.

It is important to note that the scenarios explored during the Workshop are not predictions; rather, they present alternative possible futures for 2050, where the EU has already achieved climate neutrality and enhanced environmental sustainability. Scenarios in which the EU does not achieve climate neutrality will not be explored, as the

primary goal of the exercise is to encourage future-oriented thinking with concrete actions necessary to reach the ideal future.

The scenarios are based on the following key assumptions:

- **Sustainable EU 2050**. The four scenarios presume an EU in 2050 that has reached climate neutrality and shifted away from an unsustainable use of resources (fossil fuels, raw materials and ecosystems). Each scenario features a different primary driver of change in the environmental dimension of sustainability.
- **Sustainable production and consumption**. In the scenarios, the necessary transitions in production and consumption happen through a change in lifestyles that leads to a drastic reduction in consumption and phasing out of unsustainable practices.
- **Public finance**. The scenarios show variations in the size of the public budget and the effectiveness of redistributive policies through income support, public services and other means.
- **Sustainable investment**. Some pathways indicate the importance of orchestrating public-private collaboration. Other show the role of communities and citizens in seeking social well-being. The constraints on financial and technical resources for public services, including healthcare and infrastructure, also vary.
- **Democratic practices**. The role of communities, citizens and participatory democracy, prevailing values and social norms, the degree of connectedness between people, individual freedom and lifestyle constraints, and political voice and democratic participation also vary significantly between scenarios.
- **Business models and innovation.** The role of economic sectors such as service, industry and finance for shaping markets and pursuing the sustainability agenda is different across the scenarios.
- **Geopolitical aspects**. In all scenarios, the EU is assumed to be necessary for Member States to secure a geopolitical role and navigate the instability of the global order. However, its form depends on the scenario.

Scenario 1. Eco-States

In this scenario, Member States drive the social and economic transformation of the EU by enhancing the effectiveness and efficiency of government actions, particularly through a combination of policies. They successfully implement reforms that enable an inclusive green transition while strengthening their collaboration to address challenges that individual countries cannot solve on their own. Governments and the state play a dominant role, with significant influence over shaping individual lifestyles.

The **social dimension** of the scenario is characterised by strong social protection and public services (and, as a result, reduces social inequalities), trust in government and strong national and European identities.

The **technological domain** is marked by governments' investment in digital infrastructure, strong digital tools that allow close monitoring of production, natural resources and society, as well as promotion of sustainable lifestyles.

The **economy** is strongly regulated by governments, the tax system is reformed to direct the financial flows towards sustainable activities.

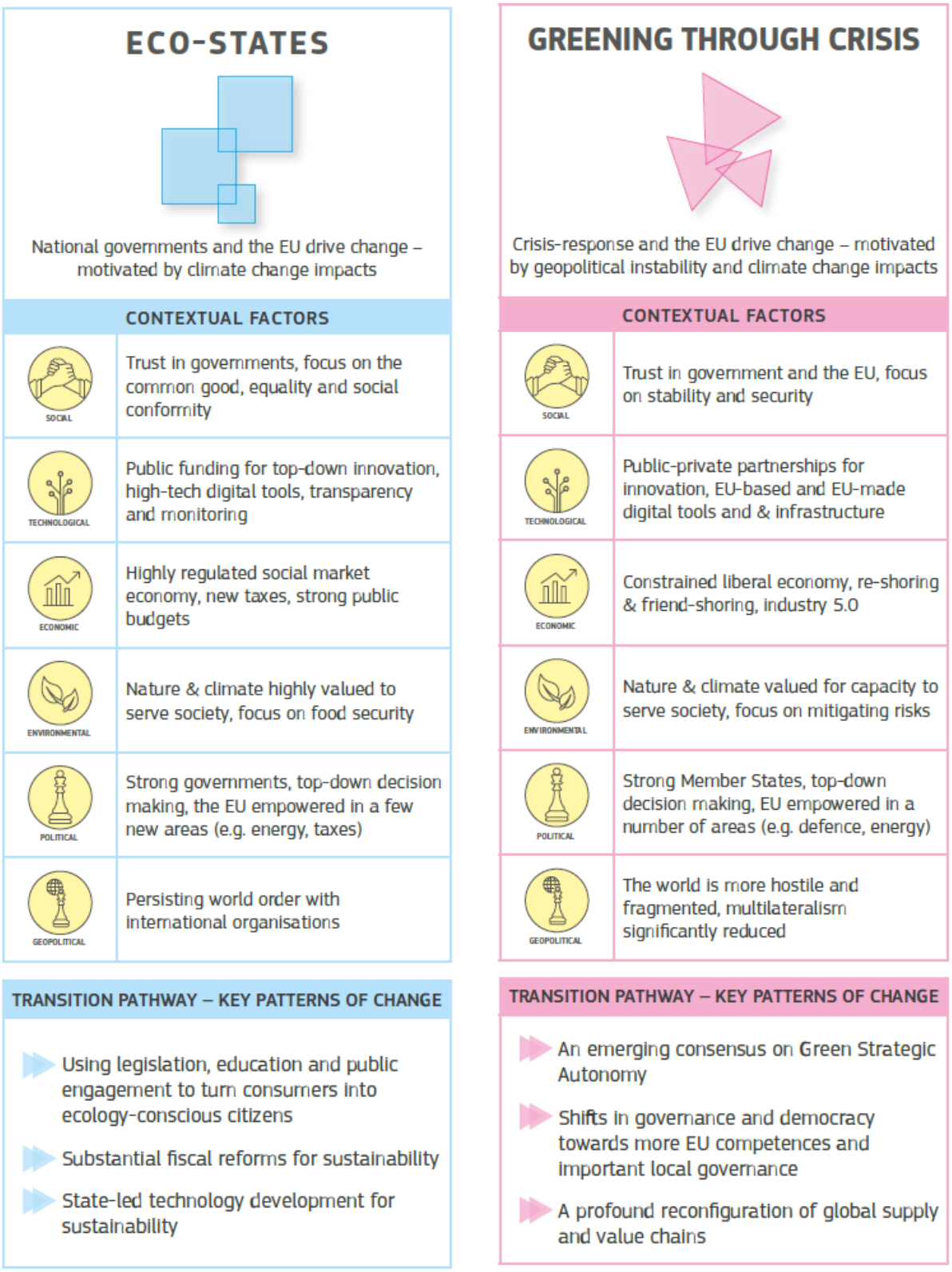
In the **environmental** domain, governments prioritize food security and invest in alternative food sources, while energy markets become highly centralized with EU-regulated prices. The green transition is driven by strong national governments using coordinated policy mixes at local and EU levels.

The **political domain** is characterised by top-down decision-making, with new powers like taxes, energy, and some social policies shifted to the EU level. Strong national governments prioritize sustainability, consulting regional authorities and citizens but occasionally limiting individual liberties to maintain their policy focus.

As for the **geopolitics,** a stable world order persists with international organizations and military alliances coordinating on peace, climate, trade, and security. The EU leads global climate efforts alongside the USA and China.

A graphic summary of the Eco-States scenario can be found in Figure 1.

Figure 1. Summary of EU 2050 scenarios and transition pathways (Eco-States and Greening through Crisis).



Source: Matti, C., Jensen, K., Bontoux, L., Goran, P., Pistocchi, A. and Salvi, M., (2023), Towards a fair and sustainable Europe 2050: Social and economic choices in sustainability transitions, Publications Office of the European Union, Luxembourg, p. 8.

Scenario 2. Greening through Crisis

In this scenario, global and regional crises prompt national governments to transfer power to the EU for enhanced security and protection. The European Commission takes a leading role in this process, gaining support from all Member States over time. By 2050, the EU functions as a federal state with strong decision-making authority, particularly in foreign policy, defence, and harmonized public service standards. This shift has bolstered the EU's strategic autonomy, even amid demographic decline, by leveraging circularity and the green transition.

In the **social domain** of the scenario, European societies prioritize security amid global instability, with democratic processes shifting to the EU level but low citizen participation. Social inequalities persist but have narrowed, while public education quality varies.

In the **technological domain**, a robust green and digital tech sector thrives, driven by public-private partnerships, with technology and infrastructure predominantly developed within the EU.

In the **economic area**, the EU maintains a liberal economy, though growth is limited by a shrinking global economy. Industry, particularly manufacturing, is crucial, with regions specializing for efficiency while minimizing supply chain vulnerabilities.

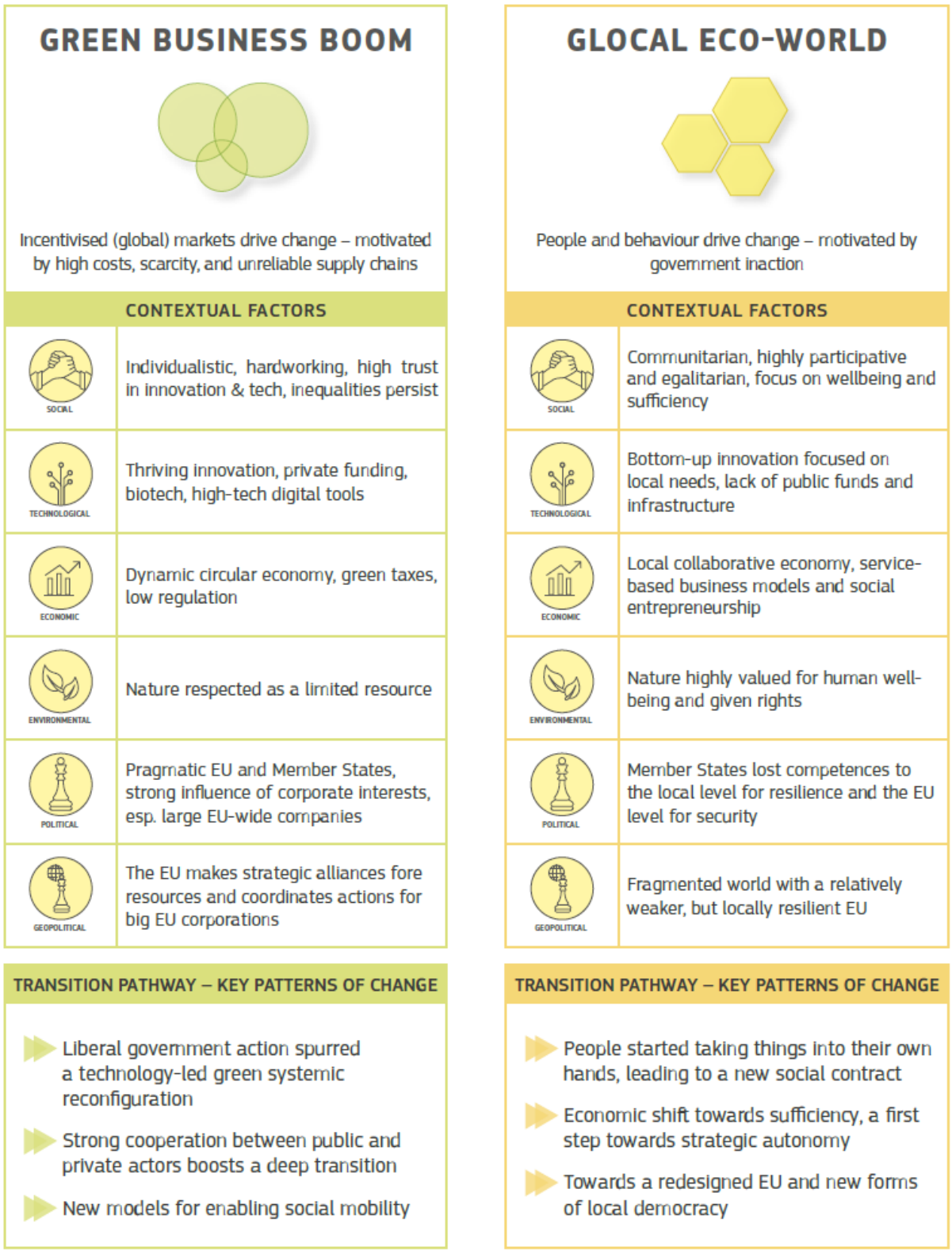
The **environmental domain** is characterised by the EU and regions' investment in environmental restoration, focusing on risk mitigation and leveraging Earth observation capabilities. The green transition is pursued for strategic autonomy, targeting key sectors, but the lack of a systemic approach limits its impact. EU climate neutrality is ultimately achieved due to reduced production and consumption driven by external events.

On the **political level**, the EU's mandate has expanded in strategic areas like energy, defence, and industry, with a focus on protectionism and investments to ensure independence. Member States remain strong.

In **geopolitical domain**, the world is more hostile and fragmented into regional or ideological spheres, with limited multilateralism. International cooperation focuses mainly on humanitarian aid and climate change mitigation.

A graphic summary of Greening through Crisis scenario can be found in Figure 1.

Figure 2. Summary of EU 2050 scenarios and transition pathways (Green business boom and Glocal eco-world).



Source: Matti, C., Jensen, K., Bontoux, L., Goran, P., Pistocchi, A. and Salvi, M., (2023), Towards a fair and sustainable Europe 2050: Social and economic choices in sustainability transitions, Publications Office of the European Union, Luxembourg, p. 9.

Scenario 3. Green Business Boom

In this scenario, market forces and innovation are the main drivers of change. As resource costs rise, corporations innovate to decouple profits from resource consumption by embracing circular economies, renewable energy, and sustainable bio-economies. This accelerates opportunities for sustainable business models, promoting eco-friendly behaviour while creating added value. The movement is global, fuelled by geopolitical conflicts in the 2020s that spurred resistance and a renewed push for globalization, leading to a revitalized international order cantered on free trade and efficient supply chains. By 2050, businesses collaborate creatively with increasingly flexible and pragmatic governments.

The **social domain** is marked by individualism and self-enhancement, driving entrepreneurship focused on sustainability and technological advancements. While social inequalities persist, they are mitigated through a mix of philanthropy and public funds that support private welfare systems.

In the **technological domain**, private sector investment in R&D speeds up innovation for a green transition. Digital platforms enhance the private provision of social services, integrating technology with sustainability.

The **economy** is characterized by liberal, diversified markets and resilience across sectors. A green fiscal framework drives businesses toward environmentally sound practices, with high-tech and circular business models becoming mainstream. SMEs are crucial in scaling innovative technologies, and the finance sector supports green investments through effective blended finance instruments.

In the **environmental area**, a sustainable bio-economy leads the green sector, offering solutions for ecosystem protection and the industrial use of natural resources. Businesses adopt carbon capture and climate adaptation technologies, and growth is decoupled from resource use, thanks to coordinated efforts between policymakers and economic actors.

In the **political domain**, national governments become more flexible and pragmatic, outsourcing public services to private operators and using public-private partnerships for infrastructure. EU plays a role in setting standards, regulating markets, and promoting a green economy.

In **geopolitics**, the EU forms strategic alliances with Africa and Latin America, especially with raw material producers, and coordinates with major EU corporations.

A graphic summary of the Green Business Boom scenario can be found in Figure 2.

Scenario 4. Glocal Eco-World

Policymakers were unable to effectively address the severe disruption caused by climate change, leaving people to find new ways to adapt to increasingly challenging conditions. As a result, society enters a new paradigm where, through the hardships they face, people come to recognize the importance of human relationships, connections, and community support, and they realize that a dignified life is possible even with significantly lower levels of material wealth.

In the wake of devastating climate impacts, **society** has become more united, with a strong emphasis on solidarity, sustainability, and resilience. Communities and cities are central to well-being, promoting healthy lifestyles and innovative public services.

In the **technological domain**, technology development is driven by the specific needs of communities, focusing on frugality and resilience. However, large-scale infrastructure projects are scarce due to limited public funds, and significant public R&D efforts have been scaled back due to fiscal constraints.

The **economy** is vastly reduced in terms of GDP, and due to a power dynamic shift, the local governance and local economy are gaining strength. Collaborative, sharing, service-based business models thrive, and social entrepreneurship is also gaining momentum.

In the **environmental domain**, extreme climate impacts and environmental degradation have led to a deep understanding of nature's essential role, with legal rights granted to nature. Public awareness and care for the environment are high, with climate adaptation and green transition efforts led locally.

On the **political** level, decision-making has become more top-down, with new powers like taxation, energy, and social policy shifting to the EU level. Strong central governments consult regional and local authorities, as well as civil society, but maintain a firm focus on sustainability, even at the cost of some individual liberties.

In the **geopolitical domain**, the world is fragmented, with the EU relatively weaker but more resilient, serving as a model for sustainability. The EU continues to rely heavily on the USA, particularly for security, while reducing its dependence on China and trading only with trusted partners.

A graphic summary of the Glocal Eco-World scenario can be found in Figure 2.