

## *Chapter VII*

### **EUROPE: VARIANT SCENARIOS OF DEVELOPMENT**

Below we outline five basic scenarios we believe potentially lie ahead for Europe in the next two to three decades. They are all qualitative. Experience shows that a period of several decades can significantly alter a continent as diverse as Europe in quantitative terms, therefore putting forward a quantitative presentation would be virtually impossible; this diversity pertains to economic and social matters, as well as and especially to political and ideological structures and cultural systems.

We put forward five possible variants of Europe's future; due to the complexities of the current political situation, we will not venture to indicate which of these we might see as the most optimistic. These scenarios were devised based on the preceding discussion of Europe's strengths and weaknesses, the main challenges it faces and changes within it and in surrounding regions. The main issue will involve indicating how threats are dealt with.

#### **SCENARIO I – the dominance of liberal democracy, a strong EU community**

This scenario is based on Europe's strengths, developed through the lessons learned from the failures endured by European societies over the centuries, in particular due to the rise of industrial civilization. Europe has undergone many conflicts, which drove fundamental changes in all spheres of political, social, and economic life. Numerous wars have been waged and many dubious political experiments conducted; nevertheless, overall it has resulted in a high level of economic development, good quality education at all levels, and entrepreneurship and innovation helping to maintain the ongoing situation and general level of education. However, this does not necessarily indicate future growth trends. It is an undeniable fact that for over two centuries Europe set the main global developmental trends in the world. This expansion weakened Europe's creative forces somewhat, although this does not mean that its future potential has been reduced. Regardless of the original reasons for its creation, the EU has been and is extremely important in shaping the burgeoning information society, becoming the first supranational institutional precursor of a new world order which is likely to find many imitators in the future, including on other continents. The contemporary

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world includes over 200 states, of which at least four-fifths are small and medium countries. Many simply cannot function effectively as fully independent states under the conditions of contemporary globalization. Even given all of Europe's strengths, we should also bear in mind the range of threats it faces, mitigating or even marginalizing their potential negative effects.

**The first challenge involves depopulation.** There are three kinds of solutions to this. The first and perhaps simplest involves delaying the official retirement age, although it should be remembered that this would not fully solve the growing problem. This is justified by the fact that the average age of the population is increasing steadily while people are remaining fit and healthy for longer. The phenomenon is present in the vast majority of European countries, and it is driven by ongoing progress in healthcare and improving living conditions. The second type of solution is technological progress, which has already led to the development of numerous automation technologies able to replace humans in certain occupations, as well as to the rapid development of artificial intelligence. It is currently difficult to predict the areas and extent to which it will replace humans in the future, although the results of such change are bound to be significant. The third type of solution is likely to be the most difficult to implement. Europe will be forced to accept the influx of people from outside, seeking a better life for themselves and their families. The rate and principles governing immigration from other continents requires strict and widely agreed regulation, which is a highly complex task given the extensive diversity of European countries. However, it is likely to become an essential task, requiring wide-reaching agreements and mutual aid in material and educational spheres. The process is likely to be long and evolving over time. The main barrier is the major differences between European cultural systems and those of migrants from other continents; this is likely to drive various groups to attempt to defend the traditional state model providing protection for ethnic and religious communities. Fortunately, there are examples, both in Europe and beyond, showing that assimilation of immigrants can be successful and bring economic benefits. However, Europe has a long way ahead to develop principles of accepting "others".

**The second challenge is economic marginalization.** Although it is unlikely that we can eliminate the phenomena leading to the drop of Europe's GDP share, that does not mean that GDP per capita will fall in the region. The issue should be examined from two perspectives. The general rate of growth in Europe is lower than for certain major Asian countries; however, it is not lower than the growth of GDP on the global scale and it is even slightly higher per capita. In practice, this means that quality of life is not bound to fall in comparison with the rest of the world, even in the long term. Europeans are not at risk of enduring a lowered quality of life. The human potential is a different matter. Europe is likely to miss the demographic boom, and its population has generally had a significant influence on the rate and nature of development. The trend is unlikely

to be reversed in the coming decades. However, the structure and nature of production can and should be modified. One of the fundamental goals of economic and technological policies is making the most of the opportunities offered by the information revolution. As such, one of the main goals of business and political circles must be shifting the economy towards more modern development paths. If Europe wishes to maintain or even bolster its current economic position on the global stage, it must use its scientific and technological potential more effectively by adopting a contemporary innovative model. A particularly important role can and should be played by political elites by shifting existing social mentality and vision of economic policies. Rational and long-term action supporting effective and modern economic growth is becoming essential. This requires a contemporary model of education aiming to highlight the benefits resulting from the global market, including capital flows, the role of foreign investment and well-considered acquisition of new patents complementing other achievements. This kind of education must encompass the entire society. The requirement to adapt to current global developmental trends always carries numerous concerns and to a large degree disrupts the existing model. This poses a major challenge for politicians, for whom defending the status quo is frequently the main way of maintaining power.

The issue of Europe's further marginalization is even more complex, since it concerns Europe as divided into the EU and the remaining countries. The extent to which it is possible to halt economic marginalization depends mainly on the economic policies of the EU and its individual member states. Europe's economic potential is mainly the potential of the EU, including the UK. If we examine the real influence of the EU as an institution on economic, educational, and innovation policies in individual countries, it turns out the cohesion leaves a lot to be desired. Each state pursues its own policies, which frequently have no real impact on enhancing the Union's influence on the global economy. This leads us to the following thesis: if Europe, or at least the EU, has ambitions to bolster its economic position on the global scale, it will have to more emphatically underscore the functioning of subsidiarity principles, so as to establish the scope of issues serving the future prosperity of the entire Union. Attempts being made by EU authorities have faced numerous barriers mainly due to different interpretations of economic and ideological doctrines by individual states, making it difficult to create a single uniform policy applicable to the entire group. Additionally, the development of the continent as a whole is being hampered by countries outside the EU, such as Russia with its relatively low economic potential which it mainly applies to improving its military potential, Turkey which is experiencing an economic decline, and the majority of other non-EU states.

The conclusions of the above considerations are not especially optimistic, although this does not mean that it is impossible for Europe to achieve a rapid rate of growth. Any assumptions that Europe is gradually becoming marginalized on the global stage seem premature.

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**The third challenge concerns excessive social and systemic ideologization.** When we look at Europe from the perspective of political systems, then on the surface it seems that we are seeing a widespread democratic model which is frequently boiled down to just the act of voting. When we look more closely, however, the formal act of voting conceals myriad solutions which in many cases have little to do with the traditional liberal-democratic model. This begs a rather fundamental question about the roots of this accelerated and diverse ideologization. The simplest answer is that its sources can be found in the histories of individual nations and societies which are highly diverse as well as being internally and externally confrontational. One of the key issues is the different routes individual countries have taken to reach sovereignty and the democratic model. Sovereignty has to be the first step. Some of the states have had some experience of liberal democracy, yet for many gaining sovereignty was their first experience of it; the truth is that democracy must be learned in practice, not just from textbooks. For many social and especially ethnic groups, past experiences have been associated with authoritarian models. Additionally, ruling elites, frequently formed on an ad hoc basis, have not been sufficiently aware of the realities of liberal democracy, never mind the mechanics of government. The majority of European societies have never experienced a sufficiently long period of independent functioning in order to understand the value of independence and appreciate its significance in a sovereign state. This ignorance is frequently preyed upon by today's ruling elites by using the toolbox provided by the information revolution. This is the reason behind the myriad anti-systemic ideologies ranging from nationalism, via populism, as far as xenophobic and even racist ideologies. What we are seeing in individual countries in Europe, both in and outside the EU, suggests that these kinds of ideologies are highly widespread. Even more importantly they are frequently very well received by certain social groups.

If Europe is to once again become a beacon of cooperation between different countries, it must marginalize many of these ideologies. If it is unsuccessful, Europe's achievements, especially those of the EU, may be lost. Effective long-term development is only possible in today's climate under the conditions of a sustainably-perceived liberal democracy which allows only certain historically-motivated interpretations in individual countries. We are faced by a crucial question: is this possible in today's world, and what can be done to overcome these barriers? Past experience shows that this is possible, as shown by Western Europe and in part by Central Europe in the wake of the collapse of the Soviet bloc. Several basic conditions must be met. First, elites which are currently in power or are aspiring to it must agree that it is only possible under an effective liberal-democratic model. Second, a good educational model disseminating fundamental values such as the rule of law, individual freedom, freedom of speech including voicing extreme views, and free media is essential. The model should include as large a percentage of society as possible. Third, when governments act ration-

ally, they can gain essential support from the electorate. This can be achieved when governments care about the endurance of the democratic order guaranteeing justice and social unity. Is this currently possible in all of Europe? Although it is difficult to give a fully positive answer, this is essential to prevent Europe from becoming significantly marginalized on the global scale. Even more importantly, new kinds of conflicts continue to arise including mass tension, not only between countries but also internally.

**The fourth challenge stems from the high number of small and medium-sized countries with a wide range of political, social, economic and cultural systems.** The high diversity of different societies can drive conflict in and of itself. In Europe we also have to consider history, which shapes a persistent inability to forgive real or imaginary harm or damage. It drives resentment and expands the distance between individual communities and ethnic groups. This is a major barrier to cooperation and to reducing differences between countries. We could of course argue over what constitutes a more significant barrier to cooperation: differences on economic and developmental levels, or cultural systems.

Based on experience of the last two decades, it is clear that the EU has made inroads in reducing differences between the original and new member states at the level of per capita income. However, in many instances this distance, aversion and even certain hostility have not been sufficiently eliminated. The main culprit is differences in cultural systems, including among political elites and their divergent ideologies and views of the future of the EU. This is a major drawback which is being underestimated by EU institutions; at the same time, certain governments take advantage of these aversions to push their own internal and external agendas. It is a barrier which hampers cooperation, even though many politicians see it as unimportant or even irrelevant. In reality it is one of the most important and difficult developmental barriers in any situation. It can only be overcome through long-term, informed educational policies extending to the society as a whole, not just to young people. Unfortunately, educational systems are highly diversified across the EU; even more importantly they are stuck in frameworks originating in the ideas of industrial civilization and they do not meet the challenges posed by the budding knowledge society. Economic development solves almost nothing, as has also been shown by experience of the EU thus far. If the problem is extrapolated to Europe as a whole, we see that the differences between individual countries and societies are even more numerous, and so far little action has been taken to change this.

**Finally, the challenge facing the EU if not Europe as a whole, concerning relations with the US and Russia.**

The two countries are completely different cases, but both are highly important and both largely define the security of the European world. Until recently, relations between the EU and the US were very positive. The US and most EU countries were and remain members of NATO; however, when Donald Trump

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was elected as president of the US, the relations became more complicated due to problems discussed in the previous chapter (the US's withdrawal from the Paris Agreement and from the Iran Nuclear Deal, and the introduction of protectionist elements in global trade). At this stage it is difficult to say whether these threats can be overcome through negotiation. It seems impossible to eliminate concerns regarding a permanent deterioration of relations between the EU and the US.

The EU's relations with Russia are rather different. Leaving aside any attempts to describe Russia as a single state, its relations with Europe are highly complex. This does not mean, of course, that these relations are the same with each state: they range from friendly in some cases all the way across the scale to hostility. Russia's main long-term goal is to return to its role as a major superpower, as had been played by the Soviet Union by almost fifty years. It strives to reach this goal in numerous ways, for example by maintaining reasonably friendly relations with some states, via various forms of interference in the politics of certain countries, to hostile relations such as with Ukraine. Regardless of its different kinds of relations with individual states and the EU as a whole, Russia will almost certainly remain a major player on the European and global scale. As such, good relations with Russia are likely to be highly significant if an optimistic outcome is to be achieved.

Such a broad discussion of the main challenges facing the first scenario will allow us to focus on presenting only those which may play an important role in Europe's development.

### **SCENARIO II – as above, albeit with limitations**

This scenario has similar traits and challenges as the previous one. The main differences are certain properties and institutions which are significantly less effective. They also concern individual states, certain European institutions and even the EU as a whole. They may also result from negative changes in regions surrounding Europe, concerning politics, worsening economic situation and dramatic climate changes in certain parts of the world, including Europe or even the EU. As the world is becoming increasingly interconnected, this would have a major impact on Europe. There are many factors which can make the situation in Europe worse, from individual to general and from transient to permanent. Their sources may lie within the EU, Europe and regions beyond.

Depending on the type of threats or challenges, Europe may attempt to solve them on its own, but the ability to fully overcome them generally exceeds the EU's capability. Barriers of an institutional, educational, academic or innovative kind, and in certain cases concerning the economy, as well as conflict among EU member states and tensions with other European countries, can be solved without resorting to external resources, at least in theory.

If this variant is implemented, there is the possibility of returning to the growth projection as described by the first scenario. However, a negative variant is also possible. It may manifest as a lower growth rate, decreased competitiveness on the global market, a slower rate of improvement in living conditions, and a greater income differential. This would apply to EU member states and other European countries. In this case the scenario may be long-lasting.

### **SCENARIO III – continuation, or “business as usual”**

This scenario may appear relatively simple, yet it is in fact highly complex. It assumes that the processes of functioning and development of European countries will continue in a similar manner to how they have been proceeding thus far. The most difficult aspect is defining what we mean by “thus far”, since it is not a category undergoing dynamic change. The list of accrued and difficult problems which need solving continues to grow. Generally speaking, in recent years the situation in Europe has worsened, not so much in an economic sense, but in social and political terms and in its relations with the rest of the world. The fundamental problem behind this is the vast influx of refugees, for which Europe simply was not prepared. Some countries immediately opposed the process while others sharply limited the numbers of people they admitted; currently the issue is a major source of conflict between certain states. Rational solutions are still lacking, but the problem remains present as a source of potential conflict. Another problem, which is somewhat related or even derivative, is the growing nationalistic and xenophobic tendencies, frequently linked with discourse which is highly critical of existing systems of government. Growing numbers of countries are seeing a departure from the liberal-democratic model towards authoritarianism. The economic situation has not worsened in general, but we are continuing to see uncertainty within the eurozone, while Brexit has inspired Eurosceptic movements in other countries. Overall, it is now generally believed that the EU needs to overcome three kinds of crisis: the crisis of migration and refugees, the crisis of austerity resulting from certain states accruing high debts which may threaten their rate of growth, and the potential crisis of territorial breakdown resulting from the UK leaving the EU and any potential followers.

These and other institutional problems concerning the functioning of the EU as a whole and specific problems concerning individual member states bring many complications; however, it is almost certain they can be resolved in the long term in ways which may benefit the EU. This requires faith that the governing bodies of all member states see the EU not just as a tool for overcoming persistent underdevelopment and peripherality, but also as a future institutional solution for Europe.

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**SCENARIO IV – continuation under conditions of a significant economic slowdown**

This scenario may be seen as a version of the previous scenario if the economic situation were to rapidly deteriorate – in the event of a wide-reaching economic crisis or in the event of an outbreak of armed conflict, perhaps not in Europe per se but in a region with close ties to Europe. Problems may also have internal sources, such as growing tensions within the EU mainly driven by institutional changes as a result of which EU authorities take over administrative functions, currently performed by sovereign countries, in order to accelerate integration. Generally speaking, the main roots of this scenario lie in economic or political spheres. Both spheres have recently rapidly become a source of conflict due to the shift of political power within the EU and the growing significance of Eurosceptic groups in original and more recent member states. We are seeing the formation of political parties undermining generally accepted institutional principles of the traditional liberal-democratic model and those adopted as part of the creation of the EU. The EU continues to face the difficult problem of refugees from other parts of the world; this is likely to be a permanent fixture in the coming decades. We are also seeing negative changes in European countries outside of the EU, in particular Russia and Turkey. At the same time, other regions are also experiencing high levels of tension. The protectionist policies launched by Donald Trump are likely to deal a blow to two other major economic powers – the EU and China – which will have many negative repercussions.

This scenario may seem vague, but there is a high likelihood of it coming to fruition. The sides of the dispute are not currently inclined towards entering into constructive dialogue; if the situation persists, we run the risk of the scenario turning into a long-term reality, affecting Europe and beyond.

**SCENARIO V – increasing problems accrue**

This scenario is an even more negative version of the previous one, since it features numerous components which may weaken many European countries and societies. This includes a social mentality which has largely been shaped by different cultural systems. As a result, various kinds of perceived and real threats are viewed in very different ways, and in consequence they give rise to different and frequently mutually-exclusive coping measures. This scenario lacks a long-term perspective, while the authorities and elites of the majority of societies generally adopt short- or, at the most, medium-term perspectives, even though developmental policy has to take into account potential and real threats and benefits in the broadest possible sense, due to wide-reaching links extending way beyond individual states and continents.

Without going into a detailed analysis of the threats, it seems prudent to provide a short evaluation of the human factor here. The main barrier seems to be the demise of dynamic, high-quality ruling elites and those aspiring to this position. The phenomenon has been seen in Europe for some time, in part due to the ongoing and enduring improvements in the quality of life of citizens of EU countries. In recent decades, the issue has become incredibly complex, since the nature of politics and economic policies is evolving. This is due to changes in the world around us, the progressing information revolution and the creation of the global market, all of which are forcing us to step outside the narrow circle of local interests which had dominated in the past. Although the former model of governing elites is being gradually phased out, the new model is yet to gain ground; this is understandable, since an understanding of a new, more effective model of government cannot be learned academically but must be gained through trial and error. This translates into many incorrect and even downright harmful solutions in the political, economic and social spheres. An absence of modern elites means a limited ability to cooperate with other states or social groups which may have a slightly different vision of development, on the local, regional and global scale. This in turn results in fast dissemination of anti-system ideologies and ideologies leading to social divisions within individual states which may be hostile towards other countries. This is one of the most serious problems facing Europe including the EU. The processes of dissemination of these ideologies vary in terms of reach and their influence on current politics. There can be no doubt that the growing popularity of these kinds of antagonistic ideologies is one of the most significant challenges facing Europe and the EU today.

Europe as a whole, including the EU and the remaining countries, remains a major economic power. However, we lack sufficiently powerful executive mechanisms to make the most of this potential. The reasons are rooted not so much in the economic sphere but in the ideologies dominating politics. The economic sphere has once again fallen into regions of different political and ideological variants, which in the long term must have a negative effect on the rate of economic, scientific and technological progress.

One of the most notable features of Europe's history, as we have stressed repeatedly in this analysis, has involved numerous conflicts and wars. Viewed in this light, the recent decades of peace are something of an exception. The collapse of communism in countries undergoing political transformations was peaceful, with the notable exception of the fall of Yugoslavia. Certain features of growing tensions can be seen today at Europe's fringes, such as Russia's takeover of Crimea, the armed conflict in Donbass and the Kurdish protests in Turkey, as well as growing tensions in the Balkan region. While this does not mean war is currently likely in Europe, hints of it are making themselves felt. One symptom is the growth of defense procurement and modernization of armies, which is one of the main goals in some states.

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### **Likelihood of the above scenarios coming true**

Are the scenarios outlined here, based on rather selective sets of factors used to describe them, likely to arise in a relatively pure form and do they provide an accurate prediction of the direction of Europe's development? It is difficult to judge, but we should be aware of these possible options and the potential that they may indeed accurately reflect the dynamics of change. We have taken the continued existence of the EU as a certainty, yet its exact shape, its remaining member states and new ones, is impossible to predict. We can only anticipate that Russia will not join the EU, and neither will Turkey, even though it had been negotiating a form of accession in the past.

The fundamental questions which must be answered in this context is: which of the scenarios outlined above is the most likely to arise? Experiences of recent years suggest that we may see variants of the proposed scenarios, or even their combination. If we look at development spread over several decades, we are likely to see positive processes stimulating growth as well as processes and phenomena which will have a negative impact on the EU. They are likely to be highly complex, as shown by past experiences and the rapid changes all over the globe. This makes it difficult to make a clear-cut choice of one of the presented scenarios, even if we include numerous disclaimers and caveats. Taking into account the current distribution of power and growing threats, the most likely scenarios seem to be III and IV, although we cannot rule out scenario II. There is material, educational and innovative potential in place for the latter; however, there can be no certainty of the future climate of political and social cooperation between the governing elites. This area leaves the most unanswered questions. It must be remembered that it is entirely possible for political elites to change, as we have seen many times in the past in Europe. This does not have to be as a result of political unrest but can arise as part of a healthy democratic electoral process.