

Opinion of the European Economic and Social Committee Communication on ‘from the Commission to the European Parliament and the Council — 2020 Strategic Foresight Report — Strategic foresight — Charting the course towards a more resilient Europe’

(COM(2020) 493 *final*)

(2021/C 220/09)

Rapporteur: **Sandra PARTHIE**

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Section responsible	Single Market, Production and Consumption
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Outcome of vote	
(for/against/abstentions)	270/0/5

1. Conclusions and recommendations

1.1. The EESC welcomes very much the planned inclusion of the foresight methodology into the EU's future policy-making process. The decision to explicitly include 'Foresight' in the areas of responsibility of the Commission Vice-President who is also in charge of Interinstitutional Relations is strongly welcomed by the Committee. It expects synergies as well as the structural involvement of all EU institutions, including the EESC, to prosper on this basis.

1.2. The European Commission's new approach of conducting strategic foresight as an annual, cyclical, and continuous process is very much welcomed by the EESC. The resilience of the EU has been selected as the first topic in the foresight exercise. It has become a new compass for EU policies with the COVID-19 crisis. Resilience is the ability not only to withstand and cope with challenges but also to undergo transitions in a sustainable, fair, and democratic manner.

1.3. The four dimensions of the resilience topic, i.e. 'social and economic', 'geopolitical', 'green' and 'digital' are, from our point of view, well chosen and developed. They represent central megatopics of our time, which will continue to be of outstanding importance for shaping European policy. The EESC very much supports the choice of this topic as it is indeed most relevant in our joint work of creating the right framework conditions to emerge from the pandemic crisis and deal with global challenges such as climate change. The Committee has provided a detailed analysis of the topic in its own-initiative opinion *Towards a more resilient and sustainable European economy* ⁽¹⁾, and through its resolution on the *Involvement of Organised Civil Society in the National Recovery and Resilience Plans — What works and what does not?* ⁽²⁾

1.4. Strategic foresight is characterised by an analysis and action perspective directed toward the future. With this in mind, such activities must meet three basic elements in order to deliver high quality results. Firstly, the analyses must provide results that are appropriate to the future situation under investigation. Secondly, they should be based on scientific methods and processes, mindful of the fact that the future is neither observable nor empirically measurable. Thirdly, they should be effective in the sense of providing helpful orientation for political practice.

⁽¹⁾ OJ C 353, 18.10.2019, p. 23 as well as the EESC public hearing *Towards a more resilient and sustainable European economy with a vision for completing EMU*, 12.4.2019.

⁽²⁾ See EESC Resolution *Involvement of Organised Civil Society in the National Recovery and Resilience Plans — What works and what does not?* (OJ C 155, 30.4.2021, p. 1).

1.5. The Commission's first strategic foresight report for 2020 still lacks the envisaged full foresight cycle and does not explain how it would link up with the Resilience and Recovery Facility and the European Semester process. It also falls short in explaining which of the megatrends it identifies are most probable and most relevant for the EU, and therefore does not enable policy makers to prioritise. This needs to improve in the upcoming reports. Foresight will only achieve its stated objectives if it is an open and pluralistic as well as diverse, cross-disciplinary exercise, involving organised social partners and civil society, in particular the EESC, at all stages of the foresight process and definition of reference scenarios and employing a set of methods and tools to direct different perspectives towards the future.

1.6. So, while the aspiration is fully welcomed, we do see some areas for improvement regarding the implementation of foresight in the decision-making process:

- the concrete modalities for the full integration of foresight into the multi-annual planning and the Better Regulation agenda as well as the European Impact Assessment Ecosystem⁽³⁾, or the Conference on the Future of Europe remain unclear,
- the 2020 report falls short of the necessary quantitative assessment of rating the identified megatrends and strategic topics in the spectrum of probability and relevance, thus rendering it harder to prioritise action,
- the foresight process should offer a permanent monitoring and control mechanism, which will allow for such things as for *ex-post* evaluations by civil society,
- the report already proposes the topics for the next foresight reports but does not explain how the foresight process was actually used in arriving at these topics, thereby seemingly contradicting its own purpose.

1.7. The level of commitment to use foresight to strengthen European resilience is rather limited. The Commission report mostly only states that it 'can' rather than 'will' make use of foresight at the EU level. Instead of outlining the concrete ways of using foresight in the political decision-making process, the foresight instruments are being reduced to options, which might or might not be used by the relevant stakeholders and in the concrete case of implementation.

1.8. Regarding the resilience dimensions, i.e. the topic of the 2020 report,

- the actual future aspect is in many cases not comprehensively developed but focuses too much on the description of the present situation,
- it lacks a future-oriented vision of what progress should be made and in what timeframe, including the development of new welfare indicators, such as those going 'beyond GDP',
- the method of tackling the identified vulnerabilities is not detailed and does not include targeted solutions to avoid deterioration of the conditions of people at risk of exclusion, such as people with disabilities and the elderly.

1.9. The four dimensions serve as a basis for agenda building for future foresight activities. We therefore advise that the four dimensions of resilience be given specific subgoals that can be operationalised and thus subjected to regular assessment in the future. The next topics on the foresight agenda are already proposed, i.e. open strategic autonomy, the future of jobs and skills, and deepening the twinning of the digital and green transitions. These topics originate from three of the four resilience dimensions. It remains unclear, however, how the Commission arrived at these topics and in what order and form they will be addressed. Thus, it is not sufficiently comprehensible why these instead of other topics, e.g. an internal vision towards the EU's development, the rise of nationalism, the future cooperation between the Member States, or security issues, were selected. Here, greater transparency can also be achieved with the help of strategic foresight.

⁽³⁾ OJ C 434, 15.12.2017, p. 11.

2. General comments

2.1. The instrument of strategic foresight, i.e. anticipating trends and developments is indispensable in formulating responsible policies. Strategic foresight will play a key role in helping future-proof EU policymaking by ensuring that short-term initiatives are grounded in a longer term perspective. This is vital, as we are entering a new era, where action-oriented foresight will stimulate strategic thinking and shape EU policies and initiatives, including future Commission work programmes.

2.2. While not everything can be foreseen and events will continue to surprise us, there is ample room to act. This includes mapping out probabilities and preparing those in decision-making positions to scan for, understand and recognise the signals, especially of disrupting events, as early as possible. It also means preparing action plans, setting up chains of command and communication channels, defining clear areas of responsibilities and tasks in case the event does come to pass. Forecasters often use the metaphors of a 'black swan' (a completely unexpected event from the 'unknown unknowns' category) and of a 'grey rhino' (a large scale, known event that would have a massive impact, but is neglected). The COVID-19 pandemic was a 'grey rhino', as there were warning signals of mounting global pandemic risks, due to a combination of environmental degradation, globalisation and increased connectivity. Forecasting and planning techniques with a clear separation of those two different types of shocks with massive impact need to be employed. In relation to this, cross-sectoral, non-linear scenario building techniques, identification of emerging major risks and recognition of early trends should be improved at EU research institutions.

2.3. Resilience is the ability not only to withstand and cope with challenges but also to undergo transitions in a sustainable, fair, inclusive and democratic manner. The four dimensions of the resilience topic, i.e. 'social and economic', 'geopolitical', 'green' and 'digital' are, from our point of view, well-chosen and developed. The Committee underlines, however, that the multiple interactions of the four dimensions cannot be seen as separate from each other but must indeed be addressed collectively in the analyses and the resulting measures.

2.4. The EESC welcomes the proposal for the creation of 'resilience dashboards' with relevant indicators to monitor the status quo and the social and economic, geopolitical, green, and digital dimensions of developments in the EU and the Member States. However, a dashboard that only charts the status quo and describes the present is, in itself, not foresight. It only becomes so once forward-looking targets are being included. We are ready to support the Commission in this challenging and complex process, e.g. by drawing on the expertise and work of the EESC.

2.5. The dashboards obviously need to be developed further. Currently, they chart the present and the status quo. To make them useful instruments in the foresight process, a link to a forward perspective must be introduced. Dashboards only become meaningful in the forecasting process if they include targets, preferably defined for each Member State. It is then possible to use these dashboards to assess progress in the light of a given objective and to make them a monitoring tool. Furthermore, the EESC strongly advises establishing a link between the dashboards with existing competitiveness indicators used in the European Semester process and for European economic governance as well as with the Scoreboard for the Recovery and Resilience Facility and National Recovery and Resilience Plans.

2.6. The EESC fully agrees with the Commission on the critical role played by social economy enterprises during the pandemic and their relevance in the construction of a resilient Europe moving forward. In this sense, the EESC looks forward to the forthcoming Action Plan to Promote Social Economy and calls on the Commission to be ambitious and bold in its proposals.

2.7. However, while the aspiration towards anticipatory governance with the instruments offered by strategic foresight is good and includes a lot of the right elements, i.e. participation, interdisciplinarity, and shaping it as a continuous process, it becomes much less excellent and even weak with regard to how specifically this networked or meshed approach will be operationalised and implemented. Currently, the report contains a number of statements of intent on the inclusion of foresight methods into the political decision making process. To assure stakeholders that insights from the foresight process

will indeed be implemented and used effectively, the EESC believes the foresight process should offer a checking and control mechanism which would allow, inter alia, for *ex-post* evaluations by civil society. This will help to build confidence, both in the process and in the intentions and limit the risks of blind spots.

2.8. This need for control and verification mechanisms also holds true with regard to quality control, i.e. whether the chosen approach is adequate for reaching the stated goals. Such a control mechanism needs to be comprehensible, provide criteria against which to measure whether the state of the art and high quality standards of forecasting are upheld.

2.9. Regarding the content within the selected topics, it would be desirable if a clear separation were made between the analysis of the current situation and the expected or preferred projection into the future. In this way, the diverse and highly complex issues could be rendered more transparent and comprehensible. The knowledge gained about future developments could then be integrated into policy-making processes in a targeted manner, especially with regard to existing uncertainties and risks that are always inherent in current analyses of the future.

2.10. Before the process is potentially translated into concrete demands or even legislative proposals, the Committee urges that a balanced assessment, using a multi-criteria qualitative approach, that respectively incorporates the expected benefits, potential additional burdens to, and effects on, businesses, workers and concerned stakeholders is made, realistically taking into account their respective capability levels⁽⁴⁾.

2.11. The European Commission's new approach to start conducting strategic foresight as an annual, cyclical, and continuous process is very much welcomed by the EESC. The EU, however, is not the first actor in the field and should therefore learn from existing examples and good and bad practices. It should not only focus on one method, i.e. horizon scanning, but employ several of the existing methodologies, such as the 'Delphi method', a trend impact analysis, normative or exploratory foresight, qualitative as well as quantitative foresight or the 'Wild Card' approach, individually or in combination. Big data and Artificial Intelligence (AI) capacities must also be used much more prominently in identifying patterns and in developing scenarios.

2.12. The approach currently outlined for conducting strategic foresight by the Commission, however, is too 'top-down'. It does not create the necessary sense of awareness and ownership among the actors concerned. This needs to be remedied, e.g. by structurally including social partners and other actors in the process, at the European as well as the national level, e.g. through building on the European Semester process. The participation of relevant stakeholders, diverse and cross-thematic fields of application and continuous engagement with relevant future issues are key criteria for successfully establishing an effective programme of strategic foresight.

2.13. Foresight programmes will only be successful if they include clear links between the foresight topics and today's policy agenda so that those providing input see that it is being used and that it does make a difference. On this basis, a joint view of risks and challenges can be developed, it becomes clear what is to be done and the necessary transfer of competences and responsibilities can be organised. A joint risk mapping by policy decision makers in the EU, with feedback loops and adjustments as events develop, will give the process meaning and impact. We thus call on the Commission to ensure transparency, comprehensibility and verifiability of the foresight results.

2.14. At present, not all Member States make use of foresight in developing their national policies. It is therefore essential for the European Commission to ensure that it makes the most of the resources at its disposal. Thus, the EESC can provide important input and information for the foresight process based on the knowledge of its members, representing a wide variety of views and voices from all Member States. Through its opinions, the EESC is capable of detecting and alerting systemic risks. Its members are also well placed to communicate foresight activities to their communities and to help communicate the results to citizens. As a result, the EESC can also make a significant contribution to the Better Regulation agenda.

⁽⁴⁾ OJ C 434, 15.12.2017, p.11.

2.15. We call on the Commission to follow through on its own proposals and insights and enable stakeholders to become users of the foresight approach and to make it a compulsory element in the formulation of the policies for a resilient Europe.

2.16. Within the EU institutional context the European Strategy and Policy Analysis System (ESPAS) has become a reference point and a building block for cooperation in the area of foresight. The EESC has already an observer status in ESPAS, which is a practice that should be continued, and complemented by ensuring active involvement of a high-level EESC representative(s) in the annual ESPAS conference.

2.17. In order for EESC members to be able to contribute more meaningfully to the foresight activities by the European Commission we call for the provision of timely information about — and involvement of EESC members in — the foresight process, its schedule and specific work plan.

Brussels, 24 March 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG
