The Future of Democracy and Welfare in a Transforming Europe

Four Scenarios of Europe in 2040

Anna Björk, Aleksi Neuvonen & Nour Attalla

DEMOS HELSINKI

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Introduction

Europe is currently in a transitional period. The ongoing post-industrial economic and technological transformation is weakening our established societal, political, and cultural structures. Meanwhile, key 21st-century challenges including climate change, socio-economic inequalities, and external authoritarian pressure are creating instability across the continent.

The fall of the Iron Curtain sparked a period of rapid democratic expansion and renewal in Europe. However, over time, deepening societal cleavages, a changing political landscape, authoritarian pressures, and new forms of political participation have come to challenge democracy itself.

Our current political and economic institutions in Europe were conceived in response to societal developments and challenges of the early- to mid-20th century, and they have struggled to provide solutions to the 21st century's wicked problems, having been tailored to a past world.

The Russian invasion of Ukraine triggered a new chapter in democratic discourse: it made apparent the urgency of modernising democratic systems to combat authoritarian encroachment and ensure the long-term vitality of European democracies. In these uncertain times, the unfolding of the socio-economic and political transformation in coming years will fundamentally shape the future of liberal democracy, economic development, and welfare in Europe.

Successfully navigating the societal transformation requires a clear imagination of the future possibilities ahead of us. This report uses a scenario approach to support this process, presenting four images of the future. The baseline scenario paints a 'business-as-usual' development, where current development trajectories continue uninterrupted. However, as our actions and unexpected events can change our future, three alternative scenarios have been created with varying parameters for economic, political, technological, and climate futures.

These scenarios were created as a synthesis of the Finnish BIBU research project (2017-22), which studies the impact of the socio-economic transformation on our political systems, and responses to it. A report in Finnish focusing on the future of the Finnish welfare state and democracy was published alongside this volume.
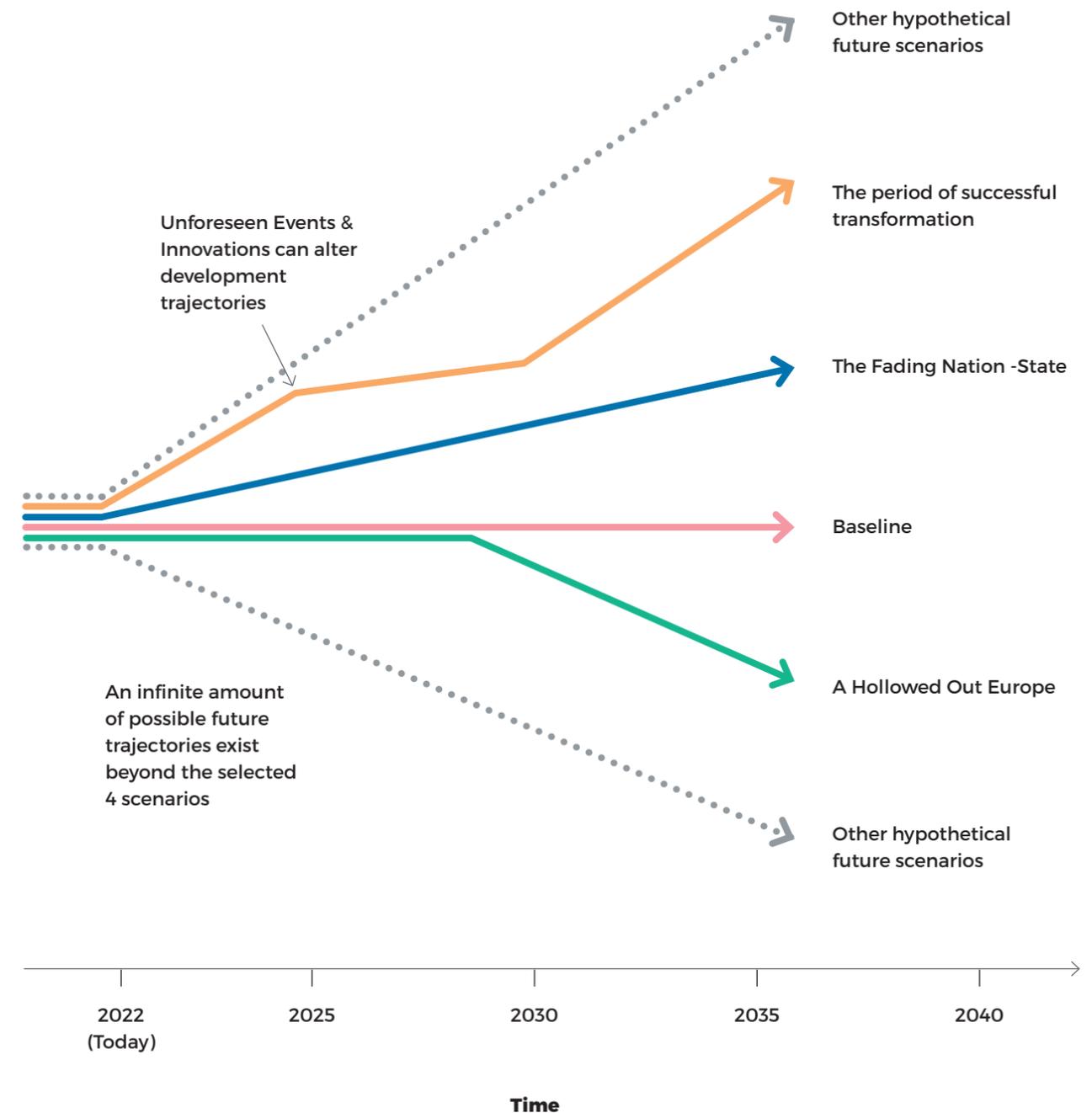
An important note is that our scenarios are neither definitive nor most-probable future trajectories. They merely represent four possible development pathways from our current starting point. Whilst we expect the main societal discussions of today to remain relevant in some form, unforeseen events, ideas, and technological innovations will affect our future in ways that are yet to be understood.

An infinite number of alternative future pathways exist. The chosen scenarios serve to encourage the reader to think about what futures they experience as preferable, or undesirable, and to think about how our actions today can shape our future tomorrow.

Nour Attalla, Anna Björk & Aleksi Neuvonen

Helsinki, May 2022

Figure 1: Contextualising the four scenarios

- Other hypothetical future scenarios
- The period of successful transformation
- The Fading Nation -State
- Baseline
- A Hollowed Out Europe
- Other hypothetical future scenarios

Unforeseen Events & Innovations can alter development trajectories

An infinite amount of possible future trajectories exist beyond the selected 4 scenarios

2022 (Today)   2025   2030   2035   2040

Time

What are we talking about when we talk about the Future of Democracy?

The discussion regarding the future of democracy and the challenges it faces arises from different directions and in connection to various phenomena. Typically, these discussions seek to find solutions that are strongly anchored in current Western practices of representative democracy and public governance. This restricts the future possibilities that we imagine in our problem-solving. It also guides us to think about democracy as a historically determinate entity, where future developments are direct continuations of current democratic practices and structures. Restricting our thinking in this manner prevents us from imagining the spectrum of directions in which democracy could evolve if societal conditions change from current historical patterns and expected future trends.

Still, at this point in our societal development, it is especially important to reimagine democracy from a variety of different perspectives. Representative democracy as we know it has its roots in the industrial era and was created in response to the socio-economic challenges of the turn of the 20th century. As industrialisation gained pace, the relative bargaining power and collective political position of workers improved. The political parties that developed in this era largely reflected the societal groups and interests that were dominant then. Simultaneously, key public institutions, such as social welfare, compulsory education, and the professional civil service were created. These institutions, along with the newly redistributed political power, enabled the growing material wealth and wellbeing of the West to be shared among a wider part of the population. In countries where this democratising socio-economic shift was carried out successfully, such as the UK and the Nether-

lands, acute societal tensions and inequalities were broken down, creating long-term stability and progress. In countries where this shift was not carried out or carried out incompletely, social conflict, economic underperformance, and political instability followed, as was the case in Germany and Russia. In countries with successful transitions, trust and solidarity in democracy were generated, and the share of the population that could economically and politically participate in society strongly increased.

Ever since these early 1900's developments, we have come a long way. Academics have been talking about the end of the industrial era and the creation of a post-industrial society at least since the early 1970s, since the publication of Alain Touraine's[1] and Daniel Bell's[2] writings. The end of the industrial era has shifted the focal point of Western economies from industrial production to service provision, creating the so-called 'knowledge economy'. At the same time, societal institutions and distribution of power have also evolved, bringing with them the challenges that liberal democracies are facing today.

The transition to the post-industrial era has brought contemporary democracies challenges from two key directions:

1. The breakdown of industrial-era economic structures is increasing societal instability. The disappearance of blue-collar jobs and the corresponding economic restructuring have generated existential uncertainty for vast swathes of the population and brought material deprivation to formerly industrial regions. This development has shaken up the socio-economic structures of liberal democracies by creating new winners and losers in a globalised

era. Most OECD countries have witnessed growing income and wealth gaps since the 1970s as well. Increasing wellbeing disparities have contributed to societal discontent and disillusionment with the social welfare system created in the mid-20th century. In our current transitional era, political structures have yet failed to catch up with and correct the developing socio-economic cleavages. This has brought forth a shift in the political landscape, as working-class political parties have struggled to maintain their connection to their increasingly struggling former societal bases.

The detachment of many from mainstream politics has moved politics towards ruling for the people, rather than by the people (Mair 2013).[3] It has also spawned new political parties responding to the challenges of the 21st century. Far-right or far-left populist parties have rapidly risen to capture the vote of those disgruntled by the ongoing socio-economic shift. Green and Liberal parties have been gaining ground on legacy parties as well due to societal preference shifts towards environmentalism, stronger social democracy, and social progressiveness. Together,

3   Mair, P. (2013). Ruling the void: The hollowing of Western democracy.

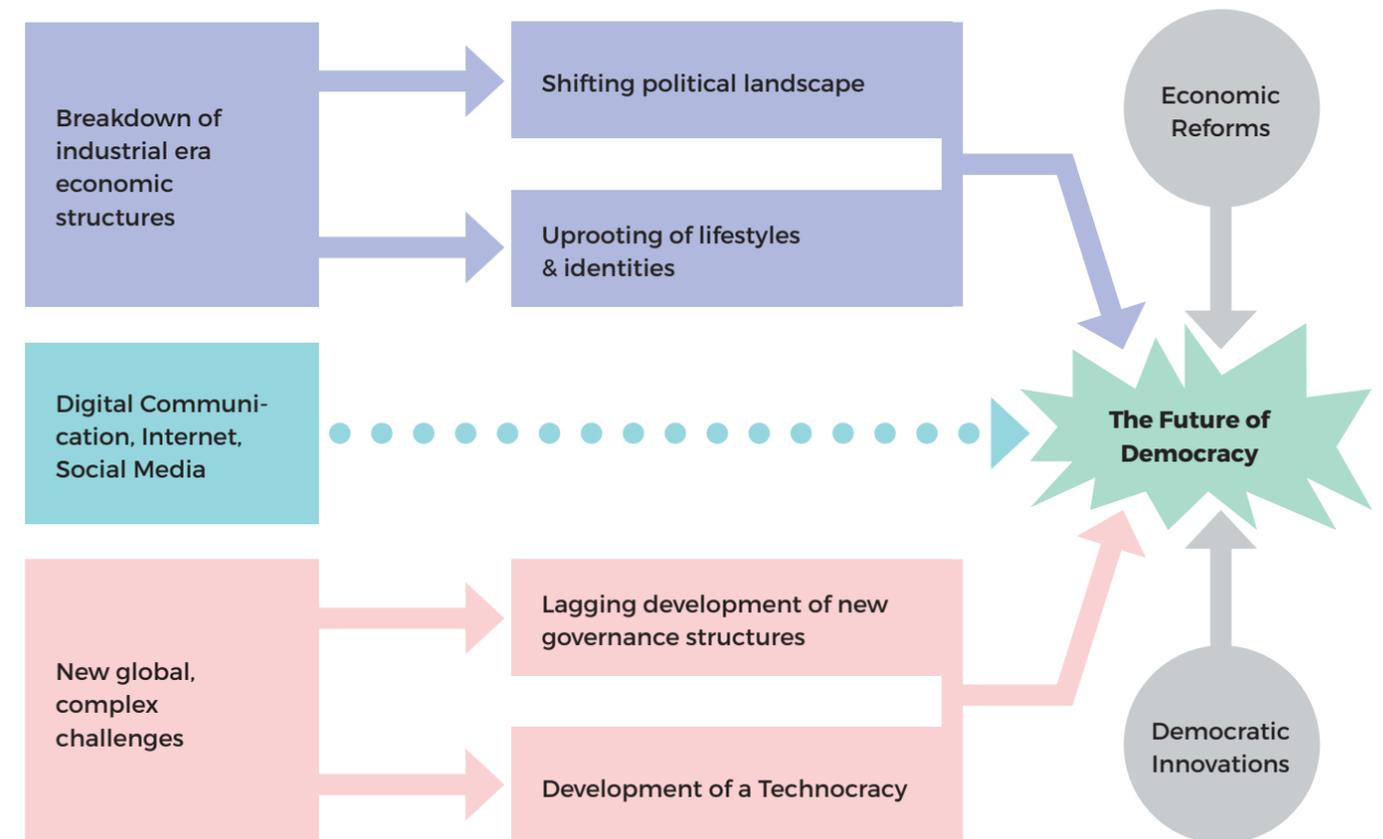Figure 2: Challenges affecting the Future of Democracy

1   Touraine, A. (1971). The post-industrial society: Tomorrow's social history: classes, conflicts and culture in the programmed society.
2   Bell, D. (1973). The coming of post-industrial society: A venture in social forecasting.

these socio-economic and political developments are raising questions about the ability of democratic political processes to provide stability, equity, and material wellbeing.

2. Political decision-making is facing increasingly complex issues. The expectations and hopes for democratic decision-making have evolved as societal challenges have become more global, complex, and linked to long-term developments. Climate change and ecological degradation, growing socio-economic disparities and political polarisation, as well as uncertainties regarding the internet and AI are challenges that cannot be mitigated purely at a national level. Increasing globalisation and interdependence in the past decades, as well as the rapid onset of the digital era, have created an additional layer of complexity to governing. Despite initial optimism about these developments, national interests have prevented the rapid creation of supranational problem-solving mechanisms for this new period. This has made it difficult for societies to tackle issues arising in a highly digitalised, globalised, and economically interdependent world.

These two major challenges created by our socio-economic transformation have a profound impact on the future of democracy. Past transition phases have shown us that politics and institutional change can shape the path technological and economic development takes, and the effect it has on society. However, effectively affecting the ongoing transformations with democratic and social welfare models developed for the challenges of the early 1900s is very difficult. A holistic approach to exploring its mechanisms is crucial to genuinely ensuring this ongoing transition phase is handled in a way that positively affects human wellbeing. By developing a thorough, multi-perspective understanding of this change, and its phenomena, contexts, and the human reactions to it, we can start to imagine how we can shape its future trajectory by creating large-scale, inclusive solutions.

Does the Era of Complex Challenges Promote Technocracy?

Many people struggle to envision an improvement on the nation-state-based model for tackling global challenges. Existing global governance models that exist outside the

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> **The expectations and hopes for democratic decision-making have evolved as societal challenges have become more global, complex, and linked to long-term developments.**

purview of the nation-state seem foreign. It is thence more likely that future developments will come from new forms of inter-state coordination and the organisations facilitating this ([Mulgan 2020](#)).[4] The EU governance model is central in these developments, but strengthening pan-European identities and improving the access of citizens to influence in EU mechanisms are still ongoing processes. However, the current European Commission has proposed approaches to increase the supranational body's legitimacy and reduce its democratic deficit.[5] These approaches include the funnelling of R&D funding towards the creation of legitimacy and participatory models, as well as expanding the role of democratic participation in EU-level decision-making processes. The impact of these steps can only be judged in the coming years as they start being implemented. They do, however, already indicate that EU politics is orienting its focus towards citizens and civic participation in the 2020s.

The broad, global scale of our contemporary challenges is not the only factor placing stress on our democratic institutions. As complex challenges often necessitate complex solutions, decision-making processes require the use of deep-level expertise across different disciplines. Open, democratic models of governance have been argued by some to be more effective than closed, centralised systems in tackling large-scale societal issues. In democracies,

information about arising issues can be generated organically at early stages. Politicians and bureaucracies can then be forced to tackle problems rapidly through the interactions of politics and public discussions. These discussions also serve to provide alternative solutions and perspectives on issues. The restrictions on free societal discussions in non-democratic systems make involving the body politic in troubleshooting and problem-solving more difficult.

The large-scale issues at hand in the 21st century strengthen the rationale for using the expertise of technocrats in decision-making, as the knowledge gap between 'experts' and the general population grows. Especially with regards to complex technical questions, specialised experts are necessary for the decision-making processes. A challenge created by this is that the solutions to our long-term societal questions must remain understandable to decision-makers and citizens, in order to maintain their connection to democratic steering processes.

The big data and AI used for analysing complex issues and predicting future trends further empower experts to exert influence in decision-making processes. The ability of these digitalised approaches to study complex and interconnected phenomena makes them a useful tool for political, economic, and technical steering at a global level. At the same time, however, the increase in expert power is creating disconnection and increasing popular distrust in politics. This raises questions about how well political decision-makers should be able to understand how political decisions have been made and what information has been taken into consideration. The ability of politicians to thoroughly understand political decisions is crucial to their democratic responsibility to explain these decisions to citizens. Technocratic decision-making that relies heavily on AI and big data makes it more difficult for politicians to uphold this responsibility. Security and privacy concerns regarding the guarded nature of data used for decision-making can also limit transparency and democratic accountability in technocratic policy-making processes.

James Bridle argued in 2018 that the new digital era in the 2000s is a so-called 'New Dark Age'.[6] AI and machine learning algorithms provided predictions and recommendations in a manner that cannot be a priori explained or justified. They can also not be used to generate overarching principles or values. In some situations, the recommendations created by AI programmes have proven to be ineffective or negligent,

which has been blamed on the used data or analytical parameters set by people. These problems with data are often discovered only once the decision has been made and its effects are starting to unfold. As a consequence of these AI-based developments, it can become increasingly difficult to predict and plan our future pathways based on he what we perceive to be desirable as humans. Instead, we end up in the dark, blindly following computerised decisions that we can neither fully understand nor predict.

In recent years, it has been posited that authoritarian, yet technocratic and meritocratic societies and methods of governance can become more adept at utilising data and AI for decision-making compared to democratic societies. Authoritarian governments have more freedom to gather and access data about their citizens' actions. There are also fewer democratic checks and balances preventing them from experimenting with and implementing new solutions. This means that they can use data to provide their population with (at least superficially) more desirable outcomes than democracies. A new paradigmatic contest has been started, where China, Russia, and the oil-rich states of the Middle East are challenging Western democracies' governance models, and providing seemingly effective alternatives. These non-Western states are spreading their own values, governance systems, and solutions across the developing world, partially in an attempt to expand their spheres of influence into the global South. The open nature of online political discussions allows for these ideas to spread and grow in the West as well. At the same time, people are increasingly questioning whether a plurality- and openness-based democratic model of governance provides superior outcomes in the digital era. This raises the question: Are we witnessing the rise of a new form of centralised technocracy, pushed on by its ability to flexibly utilise emerging technologies?

How is Political Participation Affected by this Period of Fragmented Identities?

Digital communication, the internet, and social media have brought about significant cultural changes in the past decades, and will continue to do so in the foreseeable future. The instability and changes in Western democracies and their self-perceptions are however not exclusively attributable to this techno-cultural shift. This shift in the past decades has been an additional driving force in these new

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4   Mulgan, G. (2020). Impossible and inevitable: the twisting road to global governance. https://www.geoffmulgan.com/post/impossible-and-inevitable-the-twisting-road-to-global-governance

5   EU plans to reinvigorate its democratic processes

6   Bridle, J. (2018). New dark age: Technology and the end of the future.

cultural developments. However, the dawn of the information era is in itself a partial cause of the socio-economic transformation.

Until approximately a decade ago, the expansion of the internet was seen as a process that would strengthen democracy and civic society. The creation of fora for societal discussions, new petitions, and perspectives would improve information transparency and dissemination into decision-making processes. Democratic electoral systems would be strengthened as the open access to information would allow voters to make increasingly well-justified ballot choices. Cross-border communication would also improve, allowing civic initiatives to coordinate and solve global challenges together. Simultaneously, the space for secretive actions, corruption, and closed-door lobbying would be constrained by this new tool for rapid information sharing. The Arab Spring of 2011 did in fact demonstrate the power of new innovations, such as social media, to enable the emergence of a transnational, grassroots protest movement, with genuine political implications.

Nonetheless, the relationship between the internet and politics slowly soured over time, as the negative side effects of this new technology became apparent: People were increasingly being placed in echo chambers with their like-minded peers and shown self-reaffirming and biassed news stories from questionable sources. At the same time, governments, corporations, and other actors quickly caught on to using the internet to spread harmful disinformation, inflamate cleavages between societal groups, and systematically shape people's worldviews.

As the abovementioned developments took place, the demographic structures and populations of Western countries were diversifying at a rapid rate. Increased life expectancies allowed older people to become more active participants in society alongside the traditionally active younger generations. In almost all Western countries immigration flows have grown in recent decades, contributing to ethnic diversity, and challenging traditional notions of national identity. Global economic pressures have also been primarily focused on large cities, increasing wellbeing and wealth disparities between metropolitan and rural areas. Hyperconsumerism, easier movement of people, unlimited access to information, and unprecedented communication possi-

bilities have contributed to an unprecedented fragmentation of identities, as individuals try to make sense of their standing in a rapidly evolving world.

Established political institutions and parties have struggled to effectively adapt to socio-economic transitions, the fragmentation of identities, and the challenges and opportunities created by the internet. Representative democracy in most countries is focused on resolving issues revolving around material economic interests: social welfare, healthcare and other public services, infrastructure, and economic interventions. As traditional political parties are working primarily at this traditional material-economic level, they are increasingly becoming detached from their civic bases and their new societal phenomena and experiences (Mair 2013).[7] New parties oriented towards the challenges and zeitgeist of the 21st century have arisen and are capturing a share of the population that feels disenfranchised by legacy political parties. This has been demonstrated by the success of these young parties, such as the Greens from Finland to Germany to the Netherlands, and populist parties across Europe. The demographic shifts re-shaping societal groups and cleavages are not only shifting the political landscape. Many people that feel disillusioned by established political institutions do not shift their vote to new parties, but rather stop voting altogether. Including these so-called retreaters, particularly working-class and youth demographics, in democratic political processes is a key challenge in generating inclusive, up-to-date democracies for the 21st century.

New forms of political participation and other democratic innovations have been implemented in an attempt to allow representative democracy to catch up with the wider societal developments surrounding it. These innovations are aimed at reinventing the content of political discussions, bringing more diverse perspectives into decision-making processes, and helping find compromises or even shared interests in an increasingly fragmented social landscape. New participatory methods are also attempting to reduce the impact of special interests in politics by allowing citizens to directly affect the political agenda. They also have the potential to reinvigorate political participation. This could bring the perspectives of the demographics that have been disillusioned and feel left behind by the ongoing socio-economic transformation back into political discussions.

The development and dissemination of new participatory methods into democratic practice is a long-term and continually growing phenomenon. Nonetheless, the institutionalisation of these innovations has often been slow, thus preventing them from gaining genuine political legitimacy and power. This has prevented them from supplanting representative democratic processes in either practical influence or agenda-setting power. The implementation of new democratic innovations has also been accompanied by rather limited discussions regarding democratic ideals in the 21st century, and how these should be practically brought to life in the coming decades. Historian John Dunn in 2006 argued that the ideals of modern nation-state-based democracy, based in part on the US constitution, deliberately introduces distance between the ordinary citizen and decision-making processes.[8] This was originally done to ensure that 'experts' debated and formed consensus together, allowing political discussions to occur away from the public arena where they could foment discontent and deepen political cleavages. The direct democratic process of ancient Athens was seen as a worst-case scenario with a tyranny of the majority directed by the whims of the masses.

Contrary to the US founding fathers' concerns, recently implemented deliberative democratic practices have succeeded in producing sophisticated political solutions. They have also enabled the constructive and equal-footed political participation of citizens. The major question that remains is how these new practices can be scaled up to resolve the large-scale societal challenges of today. So far, they have mainly been used for local-level decision-making.

At the same time, democratic ideals, be they deliberative or representative, are increasingly being challenged in the public sphere. Increasing societal discontent is politically manifesting itself in increasing polarisation, support for extremist (anti-democratic) parties, and deepening cleavages. Alongside increasingly fast-paced online political debates, finding shared interests and compromises has become increasingly difficult in the political arena. These factors inhibit the scaling of participatory democracy to national or supranational levels.

The cultural rules and societal situation surrounding political participation and discussions are a moving target. This raises a key challenge for new democratic practices to effec-

> ## We cannot take the structures created at the turn of the 20th century and expect them to resolve the new challenges arising today and in the decades ahead

tively bring people together across political cleavages and provide up-to-date decision-making structures for the coming decades.

A Flourishing 21st Century Democracy Must Cast Away its 20th Century Shadow

Democratic decision-making and participatory structures, despite their central role in our political processes, only partly decide what our future democracies will look like. We can create new rules governing social media and political discussion, open new methods of political participation, educate citizens and politicians, and increase resources for research and decision-making processes. Despite the availability of various options, we still cannot exactly predict what future outcomes they will generate if the socio-economic, and cultural structures surrounding our democratic process change strongly. This raises the question: Can democracy be re-developed without manipulating the socio-economic situations created by this digital transition?

The aforementioned period in the 1900s, which saw rapid economic development and the formation of Western welfare states, was an exceptional time in history. The ongoing 2000s, its socio-economic structures, challenges, and human experiences are undoubtedly different from those of the past century. However, these 1900s' governance structures are currently the only dominant democratic model,

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7   Mair, P. (2013). Ruling the void: The hollowing of Western democracy.

8   Dunn, J. (2006). Setting the People Free: The Story of Democracy.

upon which most new innovations are being imagined. We cannot take the structures created at the turn of the 20th century and expect them to resolve the new challenges arising today and in the decades ahead.

At the same time, there are many destabilising themes in our current transition period, the effects of which on our economic and societal structures we cannot yet fully grasp: To what extent do we have to curb natural resource use to effectively combat climate change? How will this affect prospects for economic growth? To what extent do we want to use normative values to redraw the rights and obligations of corporations and individuals? How will the future of work look in the data economy? On whose terms will the governance of data, the internet, and future technologies be developed? To what extent will citizens and civic society be involved in producing 21st-century changes, or will they eventually be produced top-down?

The open-ended nature of these questions means that it is crucial to expand our imagination regarding the spectrum of possibilities for the future of democracy. This way we can engender more plurality into conversations about what challenges future democracies should tackle, how, and with the involvement of whom.

Early in the industrial revolution, it was likely very difficult for people to imagine how society and politics would develop with the introduction og universal suffrage and the welfare state a mere century later. It is equally complicated for us to look beyond the remaining industrial-era structures and models at what the future may hold. It is nonetheless crucial to look for new directions and perspectives. The societal transition of the early 20th century taught us that the societies that responded to the challenges of that time effectively and provided innovative and forward-looking solutions came out of that era flourishing, more advanced and prosperous than ever before. The countries that failed to collectively imagine and implement solutions, and instead clung to the past, were eventually overcome by instability and faced rocky times of conflict.

The purpose of the scenarios we have developed is to function as a tool to open up discussions that allow new ideas and innovations to emerge, contributing to a hopeful and sustainable future.

Why use Scenarios?

Democracy and civic participation are multi-faceted phenomena. Academic studies have worked to explain the development trajectories of Western democracies and societies over recent decades in the context of a socio-economic and technological transformation. However, strongly defined empirical research is restricted in its ability to make presumptions about the future. This presents a shortcoming for its practical implications, as our transitional era is set to continue for years into the future. Different methods are hence needed to make visualisations of potential future trajectories for European democracies, whilst still incorporating the body of knowledge generated across the scientific literature.

Scenarios are not predictions, plans, or strategies, but rather visions of anticipated and desired futures. They are systemically created, with each scenario using the same methodological approach, starting point, and drivers of change as a framework for creating the future images. In order to maintain practical relevance, the aim of scenarios is to be connected to current realities and development trajectories. Their ultimate goal is to generate an improved understanding of the ability of people's present and near-future actions to shape our future pathways and outcomes.

The scenarios presented in this report aid the production of systemic, relevant, and narrative-based perspectives on the future of European democracies and welfare models. Through this, they aim to provide a source of future-orientation for decision-making and upcoming research.

The generated scenario exercise consists of four scenario pathways. One scenario pathway (the 'baseline) identifies the future trajectory that we would expect if recent societal developments continue on trend in the coming decades. The alternative scenario pathways have been created by using the same drivers of change, but with different future outcomes and trajectories. These alternative pathways are partly based on uncertainties identified in the current academic research regarding future trajectories and potentially diverging pathways. They reflect the material realities potentially realised if we were to travel along these different development paths. The differences between the scenarios are not assigned randomly. Rather, they are based on different expected trajectories for background factors in change, such as institutional power dynamics, the climate crisis, and demographic shifts.

The scenarios have been generated using the relevant academic literuature, including that produced during the BIBU-research project in Finland (2017-22), as well as interviews conducted with BIBU-affiliated researchers. A workshop was also organised with a group of academics, where the future pathways were collectively amended and details added.

The Futures Table

Drivers of Future Change

The scenarios are built on the basis of the hypothetical development directions for seven drivers of societal change. The drivers are created based on the central themes of the BIBU research project, and they have been jointly recognised by the involved researchers. The scenarios also depict other relevant phenomena that are the interdependent outcomes caused by the drivers of change.

variables →	Global Economy (a)	Technological Change in the World of Work (b)	Migration (c)	Socio-Political Landscape (d)	Political Decision-making Structures (e)	Climate Politics (f)	Democratic Innovations (g)
alternative values for the variables	Long-term slow global economic growth, with the focal point of economic activity moving away from Europe. [11]	New manufacturing jobs have been created in Europe,[12] whilst the platformisation of services has moved away service-sector jobs from Europe.	Internal migration and immigration have slowed down, with new immigrants particularly moving to large metropolises	Fractured socio-political landscape where nationalism is the strongest ideology connecting people (despite still being in the minority)	New global agreements and standards guide decision-making in the EU more than before	Has become a foundational political issue, but strong environmental guiding and funding mechanisms have not been developed	Are utilised in increasing measures in local and national decision-making, but retain a primary role as sounding boards, rather than having any real power
	Strong growth globally during the 2020s ends in a long-lasting recession. A significant part of Europe moves into the periphery of the global economy.	Automation and platformisation are moving a large number of manufacturing jobs and some specialist, service jobs away from Europe, with new work opportunities being created slowly	Large urban areas grow due to increased levels of immigration and regional centres continue to grow as well, albeit more slowly. Internal migration within countries has practically ground to a halt	Renewed left-right and nationalism-globalism political spectra	A bureaucratic EU is growing its power relative to member states	Drives public funding, but not significant regulation	Local politics widely utilise innovations, and power is delegated to these new institutions, creating global, communities of local creators and actors
	Global economic growth is stable; Europe has renewed its role as a global economic powerhouse	Digitalisation and the circular economy have created a large number of new services and expertise-driven employment opportunities, whilst automation has reduced the number of manufacturing jobs	Immigration has doubled from current figures, and is directed towards various parts of the continent. Regional centres are improving their attractiveness	Struggles in the international order have brought new ideologies to challenge traditional left-right divisions	The EU is fractured, and increasing amounts of member states and regions are negotiating special rights and privileges for themselves across the bloc	Strong global agreements frame national politics and strongly direct money towards climate politics	Democratic innovations are utilised strongly at the local, national and international level, and citizens' councils are delegated significant decision-making power

11   Quah, D. (2011). The global economy's shifting centre of gravity. Global Policy, 2(1), 3-9.
12   Nordea (2021). Nordea Economic Outlook. Nordea, 3/2021. Online.
       Accessible from: https://www.nordea.com/en/press/2021-09-01/nordea-economic-outlook-a-new-phase

Variables of the Futures Table

Global economy

In the global economy we are currently witnessing myriad uncertainties which in the coming decades will unfold in a series of large-scale changes. For instance, combatting climate change and maintaining biodiversity will significantly limit the future development of various economic sectors. It is uncertain how strong the compensatory (green) economic growth induced by investments in green solutions will be, and what the overall effects on the global economy will look like. Guiding the complex global financial system and preparing for various financial crises is challenging. Demographic ageing across an increasing number of countries means that less areas of strong economic growth will exist across the world.[1] These development patterns are particularly strongly reflected in an ageing Europe that is losing its position as a centre of industrial production and is struggling to build an equally strong focal position in the digital era.

Many regions in Europe are still dependent on industrial exports with a relatively low added value and are highly susceptible to global economic interactions and competition. Despite the relatively high level of education and expertise in Europe, there is a slim sector of globally competitive firms that rely on knowledge and expertise, which could sustainably create future middle- and high-income employment opportunities. The global green and sustainable transition alongside systemic economic structure changes will strongly affect the future success of the European economy.[2]

Technological Change

Digitalisation (e.g. AI, cloud technologies, robotics, blockchain) is upturning the operating logic of many economic sectors, and through that is reshaping our markets. In the near future, this will be especially visible in the service sector, where work will move online and into the cloud, transforming many professions. This will change the structures of service and specialist work with potentially strong impacts on European economic development.[3]

At the same time, consumer prices may decrease significantly, although the ability to make use of these opportunities will vary strongly across population groups.[4] The automation of industrial production is already at an advanced stage, with development ongoing. Industrial jobs have been lost across Europe and developed economies elsewhere. It is estimated that even large-scale industrial investment would not create a significant amount of new manufacturing jobs. Despite its strong impact on manufacturing, automation is struggling to replace other low-income occupations, particularly in the care and construction sectors.

Migration

The working-age population of European countries is concentrated in larger urban areas, with less central countries and regions, such as the Baltics, facing population declines.[5,6] Low birthrates have caused population growth to slow, and in some areas there is even a demographic decline when excluding immigration. At the same time, the volume of internal migration is decreasing.[7] The global economy strongly favours large, internationally connected cities. There are currently limited alternatives that would change this development path in migration without significantly changing the fundamentals of our global economies. In the coming decades, population growth across the bloc will increasingly rely on immigration.

The future development of immigration is difficult to predict: To what extent will Europe be able to attract and retain highly educated professionals? What will the volume of non-economic (e.g. climate) migration be towards the continent, and how strongly will this fluctuate? For the time being, immigration across the continent has been at a relatively stable level, but younger generations are much more geographically flexible in their studying and living choices than previous generations, which raises questions about the "attractiveness" of Europe in the long term.

Socio-Political Landscape

Big phenomena in politics during the 2010s were anti-immigration and integration sentiments accompanied by a growth in nationalism and the parties promoting it. Global economic changes and climate change have also been important drivers in the political landscape. Political discussions have largely shifted away from industrial-era class structures, including the traditional left-right political spectrum.[8] Alongside this, internet and social media have mainstreamed new opportunities to construct new identities and social groups.[9]

Ideologies that unite large groups of people (such as nationalism, or traditional left-right sentiments) have been replaced by smaller identity movements oriented around conservative or progressive values. Inwards-turned nationalism is currently one of the most prominent of these. A big question for politics in the 2020s will be how these new movements will be able to unite people and channel communities into political power: Will new political parties develop? Will contemporary movements take ownership of

> **A big question for politics in the 2020s will be how new movements will be able to unite people and channel communities into political power.**

existing legacy parties? Or, will new political development move outside the purview of traditional party and electoral politics?

Political Decision-Making Structures

The maintenance of global economic growth is challenging without a shift of decision-making from national to supranational institutions. The same applies to managing many of our period's key challenges, such as climate change, biodiversity loss, global South-to-North migration, and pandemics.

A constant question in this era is the popular legitimacy of supranational democracy (e.g. at the EU level).[10] Multilateral cooperation in the global system does not always work without friction, and regional concentrations of power create inequalities in influence in global decisions. New tensions are created as technocrats and civil servants are building supranational decision-making structures that can

1 Marešová, P., Mohelská, H., & Kuča, K. (2015). Economics aspects of ageing population.
2 Fagerberg, J., Laestadius, S., & Martin, B. R. (2016). The triple challenge for Europe: the economy, climate change, and governance.´
3 Collin, J. et al (2015). Finland - The Silicon Valley of Industrial Internet.
4 Watanabe, C., Tou, Y., & Neittaanmäki, P. (2018). A new paradox of the digital economy-Structural sources of the limitation of GDP statistics.
5 Kotavaara, N., Kotavaara, O., Rusanen, J., & Muilu, T. (2018). University graduate migration in Finland.
6 Zvidriņš, P. (2012). Demographic Development in the Baltic Sea Region.

7 Rowe, F. (2020). Internal Migration Intensity and Impact in Europe.
8 Im, Z et al (2020). Neljän kuplan kansa : miten suomalaiset äänestävät? [in Finnish]
9 Uysal, M. S., & Akfırat, S. A. (2021). The social identity perspective of social media leadership in collective action participation.
10 Ojanen, T., & Salminen, J. (2019). Finland: European Integration and International Human Rights Treaties as Sources of Domestic Constitutional Change and Dynamism.

reduce public and interest group participation in political decisions.[11] A trend aiming to balance supranational political developments is the increase of participatory mechanisms in local and national politics, to improve people's direct influence in political decision-making.

Climate Politics

Climate change has become a central political theme as science has increasingly promoted the urgency of acutely responding to the environmental crisis. Climate change as a political phenomenon especially unites younger generations for whom combatting the ecological crisis is more personally salient than for older generations.[12] Many of the discussed climate measures are generating new political tensions due to their impact on many population groups' livelihoods and lifestyles. On the other hand, some politicians are framing the green transition as a path for societal renewal. Here, green economic growth and solutions to climate change and the actors working on them would play a primary role in resolving socio-economic inequalities.

Democratic Innovations

In many developed countries, political cleavages are growing, and socio-political landscapes are looking increasingly fragmented. Simultaneously, ideological and affective polarisation is increasing. The present impact of political polarisation across Europe varies quite strongly,[13] but across the bloc, there are similar undercurrents affecting political and societal trust that need to be combatted.

Democratic innovations (such as public petitions, citizens' councils, or participatory budgeting) can increase demo-

> **Many of the discussed climate measures are generating new political tensions due to their impact on many population groups' livelihoods and lifestyles.**

cratic participation.[14,15,16] Innovations utilising digital technologies are particularly effective at improving the political participation of youths and marginalised groups.

It is still unclear to what extent new participatory methods and opportunities will be able to challenge the impact of factors such as education and socio-economic background on political participation. Transparency and interaction with citizens in the development and implementation of democratic innovations is crucial to their success in re-energising politics. New participatory methods may, however, over time challenge the legitimacy of traditional political structures. This can create tensions between democratic innovations and representative democratic structures that we as of yet cannot fully predict.

11   Paloniemi, R. et al (2015). Public participation and environmental justice in biodiversity governance in Finland, Greece, Poland and the UK.
12   Huttunen, J., & Albrecht, E. (2021). The framing of environmental citizenship and youth participation in the Fridays for Future Movement in Finland.
13   Fornaro, P. (2021). Politician Polarisation in Finland over Recent Years
14   Christensen, H. S., Jäske, M., Setälä, M., & Laitinen, E. (2016). Demokraattiset innovaatiot Suomessa–Käyttö ja vaikutukset paikallisella ja valtakunnallisella tasolla. [in Finnish]
15   Christensen, H. S., Karjalainen, M., & Nurminen, L. (2015). Does crowdsourcing legislation increase political legitimacy? The case of Avoin Ministeriö in Finland.
16   Christensen, H. S., Jäske, M., Setälä, M., & Laitinen, E. (2017). The Finnish Citizens' Initiative: Towards Inclusive Agenda setting?

Baseline Development of Democracy and Welfare In Europe

Scenario 1: Future 2040

Baseline Development of Democracy and Welfare In Europe

The baseline scenario has been built on the relevant academic literature, including insights gained from the BIBU research project on the development of (Nordic) democracy and welfare models in recent years. The scenario is built on the assumption that the coming twenty years will strengthen and consolidate the development paths and phenomena we have seen over the past two decades. No unexpected changes of direction, including major political or socio-economic reforms, occur in this track.

It must be noted that this scenario is not a prediction nor a statement of the most likely future path, since the future always involves unexpected events and developments. The baseline can be seen as a 'business-as-usual' future image in which past and ongoing developments continue uninterrupted into the future.

Global Economy	Long-term slow global economic growth, with the focus point of economic activity moving away from Europe.
Technological Change in the World of Work	Automation and platformisation are moving a large number of manufacturing jobs and some specialist, service jobs away from Europe, with new work opportunities being created slowly
Socio-Political Landscape	Fractured socio-political landscape where nationalism is the strongest ideology connecting people (despite still being in the minority)
Migration	Large urban areas grow due to increased levels of immigration and regional centres continue to grow as well, albeit more slowly. Internal migration within countries has practically ground to a halt
Political Decision-making Structures	A bureaucratic EU is growing its power relative to member states
Climate Politics	Drives public funding, but not significant regulation
Democratic Innovations	Are utilised in increasing measures in local and national decision-making, but retain a primary role as sounding boards, rather than having any real power

The disappearance of industrial occupations due to automation has changed economic structures in Europe.[1] The EU's green[2] and digital[3] transformations have brought both the pressures and opportunities of climate change and technological change to job markets. New employment opportunities have especially been created in large metropolitan areas in IT and service occupations.[4] The focal point of newly created jobs has shifted steadily towards high-education expertise-driven work.[5] Alongside these higher paid jobs, lower-education and salaried service jobs have been created, such as in the food delivery and hospitality sectors.[6] At the same time, whilst major European corporations have lost their status as large employers, they have often maintained their profitability.[7] The relatively strong position of Europe in the sustainable and green service sector has grown and been consolidated due to encroaching climate change.[8]

Despite new digital and other economic actors growing rapidly, traditional institutions still dominate influence in key decision-making structures, and there are high barriers to access for new sectors and actors. Changes in economic structures have also generated friction between traditional formal and informal societal institutions, such as trade unions, social movements, work-life, governing structures. Nonetheless, established organisations have largely succeeded in maintaining their powerful societal position. Some shifts within work and social politics have occurred. The social safety net for small business-owners and non-traditional employment arrangements, such as freelancers, have been increasingly specified and integrated into broader social welfare structures.[9]

> **Despite new digital and other economic actors growing rapidly, traditional institutions still dominate influence in key decision-making structures, and there are high barriers to access for new sectors and actors.**

The amount of informal civic activity[10] outside established institutions and NGOs has grown steadily and showcased that traditional civil society structures have excluded significant numbers of people. Also, the importance of digital and social media in citizens' societal participation has constantly grown, whilst there is still demand for the maintenance of public spaces and services to facilitate these interactions.[11]

The welfare state, which relies on a functioning multi-party system, is surviving well in an interdependent world. Attempts to create supranational coordination regarding the climate crisis, migration, or regulation of

1. Im, Z. (2021). Uhatut Duunarit: Miten automaation uhka muuttaa äänestämistä? [Policy brief; ks. myös Status decline and welfare competition worries from an automating world of work : the implications of automation risk on support for benefit conditionality policies and party choice, Väitöskirja, Helsingin Yliopisto]
2. E.g.. European Climate Law; European Green Deal
3. EU digital strategy
4. Valtiovarainministeriön kansantalousosasto (2021). "Taloudellinen Katsaus - Syksy 2021" [in Finnish].; Ailisto, H. (ed) et al (2015). Finland - The Silicon Valley of Industrial Internet.
5. Koste et al 2022: Metropoli 2030. Viisi skenaarioita Helsingin seudulle. Demos Helsinki & Labore. [in Finnish]
6. Wang, Y., Wang, H., & Xu, H. (2021). Understanding the experience and meaning of app-based food delivery from a mobility perspective.
7. Collin, J. et al (2015). Finland - The Silicon Valley of Industrial Internet.
8. Lavrinenko, O., Ignatjeva, S., Ohotina, A., Rybalkin, O., & Lazdans, D. (2019). The role of green economy in sustainable development (case study: the EU states).
9. Saikkonen, P. & Ylikännö, M. (2020). Is There Room for Targeting within Universalism? Finnish Social Assistance Recipients as Social Citizens.
10. Mäenpää, P. & Faehnle, M. (2016): Neljäs sektori — Kuinka kaupunkiaktivismi haastaa hallinnon, muuttaa markkinat ja laajentaa demokratiaa. [in Finnish]
11. Haapajärvi, L. et al (2021). Hyvä naapuri, hyvä Suomalainen - Erontekojen ja kuulumisen käytännöt Helsingin monietnisillä asuinalueilla. [in Finnish]; Ruuskanen et. al (2020): Kansalaisyhteiskunnan tila ja tulevaisuus 2020-luvun Suomessa. [in Finnish]

new technologies have created turbulence in the global governance agenda. At the same time, changing economic structures have forced different sectors, civil society organisations, and political priorities to be adjusted to new national and regional realities. Structures of welfare states in European countries have been shaped by global challenges. On the fringes or in the absence of these established institutions, different political groups have tried to increase their position in responding to the new political questions and challenges that are arising. These new political groups are increasingly relevant as many of the ongoing societal developments are occurring outside the sphere of traditional party- and electoral politics. Globally, many new initiatives arise at the grassroots level, including social movements and campaigns, as well as new mission-driven ("fourth sector") economic activity.

The balance of economic power is shifting between the global East and West, with the superpower relations between China and the US shaping the course of global politics. The period of low economic growth in advanced economies has expanded and consolidated into a trend shaping the first half of the 21st century. The digitalisation of economic activity has constantly reduced state power in markets, and especially so in digital markets. The UN-led global governance system is reflecting the shift in global political and economic power and is somewhat adapting to the unfolding super-power power struggle. Because of this, it has remained a global governance structure through which democratic and non-democratic countries structure a marked part of their cooperation. The growth of China's global power has however not exclusively been concentrated in traditional institutions of the liberal world order. Instead, it has partly created its own parallel world order consisting of its own set of institutions and sphere of influence.[12]

The EU has slowly been gaining traction with its attempts to remove democratic deficits. With generational turnover, it has increasingly established its central role in European governance and participatory processes. On the other hand, along with its power in decision-making and its large funding role, the EU still generates distrust among a section of politicians and the broader population. New geopolitical tensions are strongly reflecting on national politics, and are supporting the strengthening of national and EU-level governance structures.

> ❝
> ## The period of low economic growth in advanced economies has expanded and consolidated into a trend shaping the first half of the 21st century.

Across Europe, the level and impact of ideological polarisation have varied widely. Alongside new geopolitical struggles within and between international power groupings, regional and local differences have also become pronounced in Europe. In a few countries, such as Finland, these new challenges have not yet caused a large-scale uptick in ideological polarisation, neither amongst the general population nor in politics.[13] Elsewhere in the continent, especially amongst countries that have struggled to effectively counter the inequalities created by the ongoing economic transformation, ideological and affective polarisation has increased. Consequently, increasing friction amongst decision-makers and broader distrust in politics are inhibiting effective socio-economic change and development in polarised countries.

Additionally, the European political landscape is shifting as traditional class identities are losing relevance, but do to some extent still shape voting behaviour.[14] Shifting demographics have caused traditionally dominant parties representing previously rigid societal groups to struggle in connecting to a specific societal group. New political questions, such as climate change, or socio-cultural divisions between progressives and conservatives, are creating cross-cutting cleavages not aligned with industrial-era societal groupings. For some issues, such as economic questions, even in the context of climate change, the traditional left-right

spectrum is holding on quite strongly.[15] Support for long-term social welfare reforms has enabled the modernisation of the social safety net[16] and the pension system.[17]

Across Europe, both internal and external migratory flows are focused towards Western Europe. Elsewhere in the EU immigration has strongly slowed down. Large urban areas function as the main destinations for immigrants, and migration to these areas is constituting an increasing share of population growth in an ageing Europe. In regions and smaller countries, such as in the Baltics, where there are few large urban areas to attract immigrants, overall population decline is expected to continue. Limited birth rates and an ageing population are set to strain social and health services as the European population pyramid becomes top-heavy, bringing new risks of growing socio-economic inequalities.

In public discussions, views across the political spectrum are becoming increasingly entrenched and conflictual, especially on issues of climate change, immigration, and cultural progressiveness. Affective (i.e. emotion-based) polarisation[18] is increasing as the left-wing environmentalist and far-right blocs are increasingly capturing societal discussions and moving away from the political centre.[19] For instance, despite holding minority support in the population, (ethno)nationalistic views regarding immigration hold a prominent position in media discussions regarding the question. A generational gap is particularly prominent in public discussions regarding contentious societal questions,[20] and continues to affect the different views held regarding politically salient issues. Contrary to conservative and nationalist sentiments, progressive voices have allowed for mainstream political discussions to also become increasingly cognisant of people's different lives experiences. Different life situations, such as having an immigrant background or holding a minority identity can, amongst other factors, affect people's lives and their experiences in society.

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> ## The impact of unexpected phenomena, events and crises on political agendas is amplified by digital media. It increases the pace of democratic decision-making, bringing with it associated issues of short-termism.

The impact of unexpected phenomena, events and crises on political agendas is amplified by digital media. It increases the pace of democratic decision-making, bringing with it associated issues of short-termism. This has affected the professional atmosphere of parliamentary discussions, undermining traditional parliamentary processes and themes of political debates.

After having lost its gatekeeping role in the digital era, the professional media arena continues to evolve, and values of truthfulness, transparency, and unbiasedness are being continually challenged.[21] Whilst traditional media organisations maintain their dominant societal position in the Nordics, elsewhere social media has challenged their position as the shaper of socio-political discussions. The new cultural phenomena created and accelerated by digital innovations are seen as a threat to fact-based political debate, popular news literacy, and shared understandings of ongoing realities in society. Education, civic activism,

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12   Barma, N. et al (2009). A world without the West? Empirical patterns and theoretical implications.
13   Fornaro, P. (2021). Politician Polarisation in Finland over Recent Years
14   Im, Z et al (2020). Neljän kuplan kansa : miten suomalaiset äänestävät? [in Finnish]

15   Kantola, A. et al (2020). Kansalaiset koronakriisin kourissa: Mitä poliittisia toimia kannatetaan? [in Finnish]
16   Saikkonen, P. et al (2020). Sotupuntari: Suuntia sosiaaliturvan uudistukseen. [in Finnish]
17   Komp-Leukkunen, K., & Rantanen, V. (2021). A Case of Intergenerational Conflict: The 2015 Finnish Citizens' Initiative on Pension Indexation.
18   Ks. esim. Isotalo, V. et al (2020): Polarisoituuko politiikka Suomessa? Puolueiden äänestäjäkuntien arvosiirtymät 2003–2019; Eduskuntavaalitutkimus 2019. Oikeusministeriön julkaisuja. [in Finnish]
19   Kekkonen, A., ja Ylä-Anttila, T. (2021): Affective blocks: Understanding affective polarisation in multi-party systems.
20   Haapajärvi, L. et al (2021). Hyvä naapuri, hyvä Suomalainen - Erontekojen ja kuulumisen käytännöt Helsingin monietnisillä asuinalueilla. [in Finnish]
21   Allern, S., Blach-Ørsten, M., Kantola, A., & Pollack, E. (2021). Development trends and challenges in Nordic political journalism.

and societal discussions on these threats are helping to control the downsides of social media, such as online abuse and hate speech, and find collective solutions[22]. This has supported the willingness and ability of researchers and journalists to actively participate in contentious societal debates. It has also increased the resilience of citizens in the face of digital threats to a fair and transparent media.

The reliance of European multi-party systems on established societal networks, such as labour market organisations, has inhibited their fundamental modernisation. At the same time, political processes have become increasingly theatrical both within and outside electoral politics. Consequently, the detachment of younger generations from traditional electoral politics has been expedited. Dissatisfaction with the consequences of the ongoing socio-economic transformation is now been channelled into civic activity occurring outside the bounds of formal politics.[23] On the other hand, the climate crisis has caused a remarkable alignment of most major parties' agendas as the consequences of global warming are starting to become reality.

Communication between researchers and politicians has improved, but this has yet to fully reflect in decision-makers' ability to substantially address complex long-term challenges.[24] Climate action has still been receiving increasing funding and been a priority in socio-economic reforms. An ongoing challenge is the creation of effective guiding mechanisms for climate change mitigation: politics remains too focused on the factors that can be controlled, rather than those that should be. The political emphasis on life-long learning and reducing inequalities amongst children and youths has ameliorated the negative consequences of structural economic shifts. There are, however, insufficient resources to extend the length of compulsory education. This, amongst other inefficiencies in addressing educational inequalities, is generating societal debate about fair resource distributions across regions and generations. These debates have also helped to frame public opinions on future climate action as questions of justice and equity.[25]

> "
> ## The climate crisis has caused a remarkable alignment of most major parties' agendas as the consequences of global warming are starting to become reality.

Our understanding of the implementation of democratic innovations in Europe has strengthened, and exchange of information has been enabled, but decision-making structures and political attitudes have inhibited their full utilisation. Some participatory reforms have been implemented,[26] but the importance of participation as a central political challenge remains. Meanwhile, the insufficient institutionalisation of participatory mechanisms have left democratic innovations primarily within the purview of major metropolises. Therefore, the push for increased political participation has somewhat lost political momentum.

The lower electoral participation of youth and low-income/education groups[27] has meant that representative democracy has remained under the influence of increasingly coherent, self-interested groups. Participating in electoral politics has become a tradition in which high-income and older demographics dominate. For groups that have felt marginalised by these developments, limited clear access to decision-making processes exists. Many people are increasingly forgotten in political decision-making and public debates. New technologies and forms of participation are aiming to tackle this issue across an increasing amount of

political spheres. Intra-European information exchange between national political-academic elites about participatory experiments and innovations has increased.[28]

The political vigour of youths and other marginalised demographics have increased in the few, primarily urban, localities where resources have enabled the wide-scale implementation of alternative participatory methods (e.g. citizens' councils and participatory budgeting).[29] On the other hand, they have also deepened the cleavage between high-income and elderly groups and young and low-income groups in political participation. The former demonstrate a strong preference for traditional methods of democratic participation,[30] whereas the latter finds direct, participatory processes to be the bedrock of contemporary democratic legitimacy.[31] This has created a resistance to democratic innovations in demographics favouring traditional electoral structures, and also decreased the diversity of elected parliamentarians and political elites.[32]

The tensions between generations and interest groups have grown accordingly.[33] This is particularly evident in the form of growing affective polarisation at a regional, national, and international level. However, across the continent, changes in the militancy in political parties' manifestoes has been one factor influencing the extent to which affective polarisation has grown. In countries with more radical political parties; primarily those that have less effectively managed to smooth inequalities arising from the economic transformation, affective polarisation has grown much more rapidly than in others.

The deepening cleavage in political participation has enabled lobby groups[34] and networks to increasingly influence formal politics.[35] These powerful interest groups and the actors around them have managed to shape

political agendas, push through favourable legislation, and frame political discussions and perspectives of decision-makers. The mechanisms of power use by experts have been strengthened. Especially with respect to climate change, technological development, and social welfare and health, the decision-making influence of technocrats is widespread. Strong lobbying at the EU level in climate and technology policy impacts debates and frictions in its member states' politics as well. The constant balancing act between economic, social, and ecological sustainability continues to affect polarisation, especially with respect to popular opinions on climate action.[36]

The scenario unfolds as follows

2022 - 2025

Policy evaluations of the COVID-19 pandemic and the increasing prominence of climate action are increasing the internal cooperation of governing institutions and citizens' participation opportunities. The modernisation of social welfare models across Europe brings to the fore regional inequalities in wellbeing. This activates political discussion about the growing quality-of-life inequality between people and regions. Global politics is framed by the increasingly unstable domestic political situation of the US, the rapid rise of China, and the new manifestations of Russia's international power grabs, such as the war in Ukraine. Together, these factors are creating increasing international tensions, which are also reflected in the development of the global economy. The uneven commitment of different countries to climate action is placing pressure on the EU to remain steadfast in its own green transition plans, whilst

22 Kantola, A. & Harju, A. A. (2021). 'Tackling the emotional toll together: How journalists address harassment with connective practices'.
23 Nemčok, M., & Wass, H. (2021): Generations and Political Engagement.
24 Hiilamo, Heikki (2021) Tutkimukseen perustuvan asiantuntijatiedon käyttö päätöksenteossa: esimerkkinä sote-uudistus. [in Finnish]
25 Wass, H. et al (2021). Päättäjät Politiikan pyörteissä: Näkemyksiä ilmastopolitiikasta, demokratiasta, ja päätöksentekoon vaikuttamisesta. [in Finnish]
26 Bherer, L., Dufour, P., & Montambeault, F. (2016). The participatory democracy turn: an introduction.
27 Kantola, A., Wass, H., Lahtinen, H., Peltoniemi, J.& Heikkilä, T. (2019): Vaalinavigaattori. Katso mistä löytyy eniten käyttämättömiä ääniä. [in Finnish]

28 Aitamurto, T. (2012). Crowdsourcing for democracy: A new era in policy-making.
29 Christensen, H. S., Jäske, M., Setälä, M., & Laitinen, E. (2017). The Finnish Citizens' Initiative: Towards Inclusive Agenda setting?.
30 Wass, et al (2021): Päättäjät politiikan pyörteissä. Näkemyksiä ilmastopolitiikasta, demokratiasta ja päätöksentekoon vaikuttamisesta. [in Finnish]
31 Christensen, H. S., Karjalainen, M., & Nurminen, L. (2015). Does crowdsourcing legislation increase political legitimacy? The case of Avoin Ministeriö in Finland.
32 Mannevuo, M. (2020). Anxious politicians: Productivity imperatives in the Finnish Parliament, (policy brief Mannevuo, M. (2020): Onko politiikka liian kuluttava intohimotyö?)
33 Komp-Leukkunen, K., & Rantanen, V. (2021). A Case of Intergenerational Conflict: The 2015 Finnish Citizens' Initiative on Pension Indexation.
34 Holopainen, M., & Nordström, L. (2020). Suomeen tarvitaan kattava lobbausrekisteri. [in Finnish]
35 Kantola, A. (2020). Gloomy at the top: How the wealthiest 0.1% feel about the rest.
36 Chen, T. H. et al (2021). Polarization of climate politics results from partisan sorting: Evidence from Finnish Twittersphere.

simultaneously aiming to strengthen its legitimacy in its citizens' eyes.

2026 - 2030

New forms of civic participation are increasingly becoming established at different levels of governance, with Northern Europe showcasing more rapid adaptation compared to the South. Social welfare reforms in several European countries have brought democratic innovations to an increasing amount of regions. EU climate and technological policy and related political steering are shaping private sector investment trends whilst cooperation between corporations and the public sector is increasingly established. Also, technocratic power is increasingly visible in complex governance questions, such as for technology. Nonetheless, a developing cooperation between political elites and researchers is making decision-making increasingly transparent and understandable to the public. Differences in ideological polarisation are becoming increasingly apparent across the bloc. Changes in political participation processes, social welfare models, and the tangible impacts of climate action are aggravating affective polarisation as well. The impact of demographic changes and pressures on social welfare and health systems are becoming central questions in political debates.

2031 - 2035

The implementation of the EU's climate measures is lagging behind despite the funding shifts that have been guiding the development of sustainable lifestyles for decades. Globally, an increasing amount of countries are committed to climate action with ambitious goals. An ageing population has burdened pension systems in Europe, but an increasing emphasis on technological developments and citizens' health has somewhat reduced this pressure. Legacy political parties have partly updated their agendas regarding 21st-century challenges, and are balancing between decades-old and new ideologies. Special interests are also maintaining their dominant political status, as economic restructuring and growing demographic diversity are leaving many forms of civic activity and citizens' interests unrepresented in formal politics or powerful lobbies.

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By 2030, evolving political conflict, public winners-losers perceptions, changing economic structures, and compounded migration to large urban cores are creating new tensions for governance and different political groupings.

2036 - 2040

Economic restructuring has led to the terminal decline of manufacturing jobs. The impacts of this restructuring are no longer predominant in societal discussions, since the care and technology sectors are growing employers, reducing the unemployment caused by decreased blue-collar work. Life-long learning has slowly become embedded in career paths. New fields of economic activity and demographic changes have increased the flexibility in people's work choices. Innovations in political participation have consolidated citizens' opportunities to influence decision-making in some regions. Local democratic innovations have, using increased experience and technological tools, added legitimacy and perceived transparency to political decision-making. An emphasis on educational opportunities and democratic participation has somewhat alleviated the impacts of growing regional inequalities. However, there is still an ongoing struggle to alleviate the uneven impacts of climate change on different population groups and economic sectors. The consequent political conflict, public winners-losers perceptions, changing economic structures, and compounded migration to large urban cores are creating new tensions for governance and different political groupings.

Alternative Scenarios

Scenario 2:
The Fading Nation-State

In the post-pandemic world, the pace of globalisation has slowed considerably, and localism has made a resurgence. In 2040, Europe is still doing considerably well due to investments made in the 2020s. Lifestyles drift apart between regions and population groups alongside a slowing of social mobility. A strong culture of local participation and cooperation is reducing people's interest in national and supranational questions.

Global Economy	Strong growth globally during the 2020s ends in a long-lasting recession. A significant part of Europe moves into the periphery of the global economy.
Technological Change in the World of Work	New manufacturing jobs have been created in Europe, whilst the platformisation of services has moved away service-sector jobs from Europe.
Socio-Political Landscape	Struggles in the international order have brought new ideologies to challenge traditional left-right divisions.
Migration	Internal migration and immigration have slowed down, with new immigrants particularly moving to large metropolises.
Political Decision-making Structures	The EU is fractured, and increasing amounts of member states and regions are negotiating special rights and privileges for themselves across the bloc.
Climate Politics	Has become a foundational political issue, but strong environmental guiding and funding mechanisms have not been developed.
Democratic Innovations	Local politics widely utilise innovations, and power is delegated to these new institutions, creating global, communities of local creators and actors.

In Europe, Nordic countries have been particularly successful due to their investment boom in the 2020s post-pandemic, which maintained momentum until the end of the decade.[1,2] The rest of the continent also experienced similar developments. Eventually, the realities of global economic restructuring took over, however. People's mobility did not recover to its pre-pandemic state and an oligopoly was created in the service sector by digital giants. Also, new companies were not created at a sufficient rate to balance bankruptcies and the uncertainty in global supply chains due to the pandemic and the war in Ukraine is creating resource scarcity. Many countries and regions celebrate the slow return of industry and manufacturing jobs, but automation has prevented a large demand for industrial labour from building up. Nonetheless, supported by a strong innovation and education environment and politics, the increase in manufacturing jobs somewhat provides an employment counterbalance for service sector jobs lost to digitalisation.

The development of the global economy continues to divide Europe's regions into winners and losers. Regional differences have been amplified since the 2020s, causing local cultures to strengthen. Many Europeans are relatively satisfied with the economic transition. The focus in history teaching has shifted since the early 2000s, focusing more on tribes, counties, local history, and the unique characteristics they create. There is less focus on overarching national and European narratives. Many youths now see their future in their local area, where there are sufficient manufacturing jobs for those desiring to stay. Further education opportunities are also ample and working conditions are good, as there is a shortage of industrial labour.[3] However, throughout the 2030s, investment and innovation by companies are on a downturn. The creation of new ideas is slowing down as people, markets, and ideologies increasingly turn inwards.

Large cities are increasingly differentiated from the countries they are in, and they continue to expand and internationalise,[4] albeit at a slower rate than in the first decades of the 2000s. They also continue to succeed economically and attract specialised workers. Urban life has somewhat quieted down due to the ability to order everything, from food

> **Large cities are increasingly differentiated from the countries they are in, and they continue to expand and internationalise, albeit at a slower rate than in the first decades of the 2000s.**

to services to consumer goods, from the internet. This has enabled the maintenance of a high quality of life despite people spending more time at home, with new phenomena occurring more in the digital sphere than on city streets.

Economic stability has also been reflected in the contentedness of the middle class and the stability of the political landscape. The civic participation of different population groups is been supported by new digital infrastructures and tools across cities, alongside the maintenance of traditional physical connections and spaces. Technology is effectively replacing people in the service sector, who are moving towards the growing manufacturing and (health) care sectors. Urban areas also attract some manufacturing investment due to their abundance of young people compared to rural areas.

Economic and climate politics have remained firmly intertwined, and climate change is a central political theme. National emissions have been reduced due to strong green investments in the 2020s,[5] which were in part driven by a need to reduce the dependency on fossil fuel imports from Russia. European manufacturing industries have created some of the world's most environmentally sustainable production processes. The carbon footprint of the average European has decreased due to more climate-conscious

1 Valtiovarainministeriön kansantalousosasto (2021). "Taloudellinen Katsaus - Syksy 2021". [in Finnish]
2 Nordea (2021). Nordea Economic Outlook.
3 Valtonen, M. (2021). Kauppakamarikysely: Lähes 75 prosenttia yrityksistä kärsii työvoimapulasta – Rajoittaa merkittävästi yritysten kasvua ja liiketoimintaa. [in Finnish]
4 Cantell, T. et al (2019). Helsinki's present state and development 2019.
5 Olkkonen, V. et al (2021). Effectiveness of building stock sustainability measures in a low-carbon energy system: A scenario analysis for Finland until 2050.

lifestyle choices. Globally, climate action is lagging, as funding for climate action and environmental regulations have created friction and inaction in global decision-making fora. Public discussions focus on the role of new innovations and technologies[6] in combatting climate change. Those born in the 2000s are increasingly disappointed with the underwhelming climate change response, and hold resentments against older generations. Some have taken up permanent school strikes and have not entered the workforce. Instead, they have oriented themselves towards voluntary and care work, outside the - in their eyes - malicious market economy.

The new global (or more accurately, glocal) economic era has undermined the EU. Many regions are decreasingly connected to the global economy and trade, as service provision increasingly takes place locally. Many states are therefore negotiating increased autonomy and special exemptions from EU rules. Consequently, we are seeing the EU retreating from different sectors of public steering, as well as a decrease in its resources. The cooldown of the global economy and the 'EU-era' is creating new tensions and cleavages in the political arena: pro-EU and progressive parties have been weakened, as have populist parties based on Euroscepticism and anti-immigration sentiments. Voices questioning Democracy have strengthened. They often call for strongman leaders, and their ideologies are built on authoritarian learning. On the other side of the political spectrum, radical pro-democracy and other single-issue movements are emerging. These internet-era ideologies and movements are inherently global, and new ideas spread rapidly. In a regionally divided Europe, new ideas are not represented evenly, becoming politically salient only in some locales.

The majority of the population is, however, uninterested in these ideologies, as their focus is on more practical questions of concern to their region. Many believe that influence in local affairs is increasingly accessible, as new democratic and participatory innovations and increasing public-private partnerships are increasing the closeness of the public to governance. The global local democracy movement has enabled the international diffusion of civic participation and deliberative decision-making best practices across cities and regions.[7] Many municipalities across Europe are involved in

> **Many believe that influence in local affairs is increasingly accessible, as new democratic and participatory innovations and increasing public-private partnerships are increasing the closeness of the public to governance.**

their own international networks, where new forms of localism and democracy are developed.[8] These processes develop local cultures and bring economic, civic, and political activity closer to each other, creating increasingly strong local ecosystems. The downside of multifaceted local civic participation has been the widening of regional differences.

Simultaneously, national and local politics are increasingly moving apart, especially when viewed from a non-metropolitan perspective. For many, national and supranational politics seem like distant phenomena dominated by career politicians and bellwethers of new movements. For rural populations, the perceived cultural gap to urban or foreign lifestyles has grown. Local networks, trust- and responsibility-relations are important instead: Caring for extended family and participating in neighbourhood and municipal activities is a central part of life. Local economic success is also an important priority for people. After decades of experimentation, the options to have one's voice heard in local politics and decision-making are numerous, and many advocacy groups are actively involved in maintaining these channels. Active citizenship has become commonplace, and in societies, a return to shared, rather than individual interests has taken place. Taking care of shared issues and challenges has become a central political priority in and of itself.

6   George, G., Merrill, R. K., & Schillebeeckx, S. J. (2021). Digital sustainability and entrepreneurship: How digital innovations are helping tackle climate change and sustainable development.
7   Christensen, H. S., Jäske, M., Setälä, M., & Laitinen, E. (2016). Demokraattiset innovaatiot Suomessa–Käyttö ja vaikutukset paikallisella ja valtakunnallisella tasolla. [in Finnish]
8   Parsama, L. (2021). Kansainväliset asiat. [in Finnish]

Scenario 3: The Period of Successful Transformation

In this scenario, the socio-economic transformation has progressed rapidly. Decision-making and political structures have adapted to a changing world. Across Europe, visions of technologically driven, sustainable and fair societies and economies are being realised due to mass investments and political steering. Immigration has grown and accelerated the transformation in the world of work. Younger generations have entered positions of power, bringing with them a cultural transformation and new corresponding political agendas.

Global Economy	Global economic growth is stable; Europe has renewed its role as a global economic powerhouse
Technological Change in the World of Work	Digitalisation and the circular economy have created a large number of new services and expertise-driven employment opportunities, whilst automation has reduced the number of manufacturing jobs
Socio-Political Landscape	Renewed left-right, nationalism-globalism, and conservative-progressive political spectra
Migration	Immigration has doubled from current figures, and is directed towards various parts of the continent. Regional centres are improving their attractiveness
Political Decision-making Structures	New global agreements and standards guide decision-making in the EU more than before
Climate Politics	Strong global agreements frame national politics and strongly direct money towards climate politics
Democratic Innovations	Democratic innovations are utilised strongly at the local, national and international level, and citizens' councils are delegated significant decision-making power

When looking back from 2040, the economic and societal restructuring of the early 2000s has continued along a seemingly clear historical path. Trust in the ability of education to reshape society and create resilience has been upheld. The importance of digitalisation for development has been discussed exhaustively, and Europe has managed to pass through the digital transition era. Meanwhile, other regions are only now starting to discuss its future impacts. The redirection of economic activity towards clean tech and later the circular economy has proven to be wise. The same goes for ambitious climate politics, which has driven private and public innovation. The long shift towards a political focus on mission-driven and innovative public investment has been successful. These strategies have enabled the rapid modernisation of European economies.

Due to these factors, new, growing, globally relevant companies have been established in Europe. Their reputation, specialised knowledge, and connections to the public sector and R&I ecosystems have generated a major pull factor for highly educated immigrants from Asia and Africa.[1] Within Europe, a South-to-North economic migratory movement is also evident.

Another central factor in European 2020s and 2030s success has been increasing immigration. The EU's ability to hold a dominant global position has played a central role in this. This dominant global position has involved increased internal and external cooperation, including an easing of immigration from Africa, the Middle East, and Asia. Immigration has been used as an asset by the EU, enabling it to leverage the bloc's countries to create common regulations, agreements, and partnerships in climate politics, resource- and data-economies, and labour markets.[2]

The benefits and logic of partnership politics are understood better than before. A new European consensus has been built on the idea that it is impossible for Europe to build new projects that uphold its basic values if it has nothing of value to offer to the rest of the world. Europe has expertise, capital, and in many countries stable and wealthy societies that are attractive to many around the world. Demographic pressures from ageing populations have strained many European countries, with notable labour

deficits being seen in labour-intensive sectors, such as care, construction, services, and some expertise-requiring professions. This has motivated the unification of demographic, economic, and regional politics, which is actively bringing immigration to Europe. In return, pools of expertise are created in Africa and the Middle East, with a new strong intercontinental coalition with shared rules and standards emerging in global politics.

Many political and societal tensions of the early 2000s have dissipated by the 2040s. The major societal shifts of the 2000s in traditions, cultural conventions,[3] and communication methods have been routinised in politics and people's daily lives. This has made societal interactions more efficient. In hindsight, many understand that the early 2000s was an era of large-scale transition, where old institutions and ways of thinking were tested, modernised, or replaced. As has been the case throughout history, it took time for new structures to be created, legitimised, and accepted in the eyes of the population. This period did not pass without incident, with significant friction between political progressives and conservatives, the economic left and right, and nationalists and globalists. A culmination of the frictions between democratic and authoritarian systems was the Russian invasion of Ukraine. Despite the 30-year period it took for socio-economic and political structures to be modernised and stabilised the global, digital, post-fossil transformation was eventually consolidated quite efficiently, however.

These changes were already discussed at the start of the 2000s: More systematic and deeper international cooperation, new public-private partnerships, new leadership, organisational and economic steering models, as well as increased government focus on science, education, and innovation. The autocratic threat to democracy posed by the Russian invasion of Ukraine motivated and accelerated the renewal of many structures and mindsets, partly as a result of increased awareness of the dangers of authoritarianism. As a generational shift among societal and political decision-makers takes place, these new solutions and methods of operation become increasingly concrete, and start to take a central role in society.

Increased immigration initially primarily affected large metropolitan areas[4] that offer a variety of employment opportunities, have high demand in service and construction sectors, and have large pre-existing immigrant groups. Over time, population growth across Europe's ageing countries has become visible in regional centres as well, as people start moving to cheaper smaller towns. These developments support the growth of new employment opportunities and companies, with existing companies expanding their operations from metropolitan areas to regional centres. At the same time, increased immigration is balancing out low birth rates during the 2010s and 2020s, extending the vitality of smaller towns.

The improved communication about Europe's new global agenda has enabled European citizens to better understand the economic transformation, and the roles of globalisation, digitalisation and climate action in it. The ongoing economic development has brought benefits to many, and especially to younger generations. An increasing amount of people feel that they are a part of the society-wide future-oriented success story.

In the 2020s and 2030s, there are many new phenomena in Europe that generate public discussions. These new phenomena bring people together, provide an impetus for civic activity, and are slowly reflected in politics as well. An analogy can be drawn to the early 2000s' internet and start-up boom. New activity is being born in surprising places, and people are increasingly active in new ideas and global underground cultures. Progress has also been made in understanding and taking advantage of new ideas in key institutions such as schools,[5] public sector organisations, companies, and even political parties.

These political parties play a key role in Europe's future. Despite the creation of a new European narrative, there are still ongoing ideological struggles around it. European parliament groups have become more organic reflections of national politics around the bloc. EU-level decision-making is being reflected in domestic cleavages, despite the latter concerning itself more with smaller-scale issues and solutions. Data and resource-based material economies have taken on a significant role in dividing societal opinions and creating new political cleavages.

Strong tensions still exist between globalist and nationalist ideologies, but this divide has become less deep over time. Similarly, major cultural debates, dividing societies into progressives and conservatives during the 2010s and 2020s, have largely lost political salience. This is because the stabilisation of the structural transformation has alleviated uncertainties amongst previously dissatisfied or economically insecure societal groups. A renewed, slowly developed left-right political spectrum, which is being born one political question at a time, is taking the place of these debates:[6] Should the protection of biodiversity be taken care of by market mechanisms or government-established protective areas? Who should pay for the transition to carbon-neutral technologies in agriculture, forestry, and heavy industry - the state, businesses, or consumers? Can data about people's specific behavioural patterns be utilised? By who and how are powerful platform services that are replacing open markets and accumulating masses of data to be policed? How should states protect the privacy and identities of people in a digital environment?

The socio-political landscape is in motion: Parties actively take positions on newly salient questions and utilise experts and new communication tools to their advantage. At the same time, there is an increasing understanding of the connection between ideology and empirical reality. Conducting discussions about new phenomena exclusively at an abstract, overarching level is insufficient. A continuous monitoring of daily realities and the fine-tuning of political solutions to these situations is crucial. This fine-grained policy approach allows for different population groups to feel noticed and included in political decision-making. New technological innovations enable this increased monitoring of policies' impact on citizens. New citizens' councils have also been widely implemented, and have become a permanent part of decision-making and political renewal both at a national and local level. Citizens' councils do not only provide their opinions to politicians. A rethinking of political structures has enabled citizens and experts to be involved in all steps of decision-making processes. In the end, decision-making power on the fine-tuned details of political decisions is delegated to the citizens' councils.

1   YLE News (2021). Chamber of commerce survey reveals Finland's "alarming" skilled-labour shortage.
2   Calel, R., & Dechezleprêtre, A. (2016). Environmental policy and directed technological change: evidence from the European carbon market.
3   Zhan, J. X. (2021). GVC transformation and a new investment landscape in the 2020s: Driving forces, directions, and a forward-looking research and policy agenda.

4   Sisäministeriö (2021). Maahanmuuton tilannekatsaus: Suomen väestö monimuotoistuu – vaihtelua on alueittain. [in Finnish]
5   Kelly, K., Merry, J., & Gonzalez, M. (2018). Trust, Collaboration and Well-Being: Lessons Learned from Finland.
6   Paloniemi, R. et al (2015). Public participation and environmental justice in biodiversity governance in Finland, Greece, Poland and the UK.

Scenario 4:
A Hollowed Out Europe

In society, experiences regarding socio-economic transformations are increasingly drifting apart between societal groups. The gap between large metropolitan areas and rural and underdeveloped areas in Europe continues to grow. On the surface, however, European states seem to be united and superficially functioning well, with limited major political fractures. Small-scale political interventions keep most people relatively satisfied, despite a broader societal inability to tackle the larger issues of the early 21st century. The economy has increasingly been stratified into different groups, as a growing global data economy has detached from local economic activity and professions. The dissatisfaction of younger generations is growing as genuine solutions to climate change and low socio-economic mobility feel unreachable.

Global Economy	Long-term slow global economic growth, with the focus point of economic activity moving away from Europe.
Technological Change in the World of Work	Digitalisation and the circular economy have created a large number of new services and expertise-driven employment opportunities, whilst automation has reduced the number of manufacturing jobs.
Socio-Political Landscape	Fractured socio-political landscape where nationalism is the strongest ideology connecting people (despite still being in the minority).
Migration	Internal migration and immigration have slowed down, with new immigrants particularly moving to large metropolises.
Political Decision-making Structures	New global agreements and standards guide decision-making in the EU more than before.
Climate Politics	A bureaucratic EU is growing its power relative to member states Drives public funding, but not significant regulation.
Democratic Innovations	Democratic innovations are utilised strongly at the local, national and international level, and citizens' councils are delegated significant decision-making power.

In 2040, Europeans have widely varying life experiences: Highly educated working-age populations are based in large urban areas and university towns. The vast majority of modernising and growing economic activity is located around these groups. New lifestyles develop around the innovation drive that propagated new technologies and the circular economy. The population make-up of these urban areas is dynamic, with large amounts of internal and external migration reaching them. In rural areas and across the smaller countries of (South-)Eastern Europe, these developments feel distant. Populations of smaller and mid-sized towns and rural areas have aged rapidly. The economic activity in these areas now often revolves around the provision of public services.

The global economy has largely entered a new period, where the digital economy has grown and separated from the resource-based, material economy, bringing with it the prominence of cryptocurrency and digital services and goods (e.g. non-fungible tokens). At the same time, technological deflation[1] has taken place: The efficient production of digital services has reduced the economic value of other sectors. Despite large technological developments, economic growth is slow. This is especially the case in advanced economies, where populations and material consumption are no longer significantly growing.

Meanwhile, the European economy has modernised and taken new forms: Particularly Northern European countries have globally leading digital circular economies, whilst traditional manufacturing industries have continued their decades-long decline. In countries with a successful economic transformation, there is pride and contentedness with their successful economic model, having been able to maintain their social welfare models and equal societies in a tumultuous period.[2] In Southern and Eastern parts of the bloc, where circular and digital economic transformations have not been uniformly successful, social discontent and economic inequalities are significantly higher. Social safety nets have come under significant pressure in ageing countries like Italy and Spain. Small and local circular economy successes can be witnessed even in these regions, however, but they remain fragmented.

Many structures and institutions in Europe have - at least superficially - remained unchanged over the years. The nar-

> **Many structures and institutions in Europe have – at least superficially – remained unchanged over the years.**

rative of a united Europe has gained new momentum after the Russian invasion of Ukraine, and receives broad political support. Targeted innovation funding, as well as the maintenance of infrastructure and public services is used to spread the benefits of economic development and new opportunities across the bloc. However, many in wealthier regions believe that this public spending is wasting public resources and contributing to broader economic underperformance. On the other hand, socio-economic wellbeing is still relatively high across Europe, which has allowed for expensive political compromises to remain at least somewhat palatable to the broader population.

Despite superficial political unity, the socio-political landscape in 2040 seems fractured, and for younger generations especially difficult to gain a footing in. Different ideologies bubble up across the world, and they are discussed at length in Europe. The impact of new ideologies on the political landscape is inconsistent, with individual politicians and parties picking new themes and ideas to guide their political leanings. Political parties, overall, are more fractured than before, however, and they struggle to maintain systematic and thorough long-term ideological thinking within them. In general, the political landscape has remained relatively stable throughout the 2000s, but parties are increasingly becoming electoral organisations, detached from the populace. Nationalism is still a prominent and clearly articulated political stream that maintains a relatively large popular support base. It is also represented in different parties' messaging, providing the common base for electoral and governing coalitions.

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1   The Economist (2019). Technology is making inflation statistics an unreliable guide to the economy.
2   Wass, H., et al (2021). Tulot vai ulos? Tulotason yhteys suomalaisten asenteisiin tulo- ja varallisuuserojen hyväksyttävyydestä ja sosiaalietuuksien järjestämisestä. [in Finnish]

The detachment of representative democracy from the people and civil society has pushed governments, the EU, organisations, and researchers to explore new decision-making and participatory innovations.[3] People's interactions are increasingly taking place digitally, which has steered innovation particularly toward digital democratic tools. The strong EU emphasis on climate action has mainstreamed citizens' councils in an effort to create legitimacy for climate action in national and local decision-making.[4,5] Significant efforts have been made to bind these participatory innovations into traditional representative democratic decision-making structures. The use of participatory innovations has generally improved the ability of politics to understand public opinion and use that to steer political actors in equalising the uneven benefits of ongoing economic developments. Critics in 2040 still argue that new civic participation is driving politics to extremely superficial solutions, and through that, covering up complex underlying questions. Some refer to this as the new rise of pork-barrel politics in the 21st century.

Despite the relative success of the economic transformation in producing new European projects and investments towards carbon neutrality and circular economies, dissatisfaction is growing amongst those born in the 2000s.[6] They believe climate action has been inadequate, as emissions have been insufficiently reduced globally, with many old technologies, such as combustion engines and coal-powered power stations still in ubiquitous use. Awareness of this 'failure' is creating doubts about democracy and extant societal structures. In the Nordics, there is a self-perception of a virtuous silo basking in its own progress, whilst the rest of the world is experiencing increased climate breakdown that is to affect future generations. Irrespective of this, many still believe that new technologies and market mechanisms can provide responses to crucial environmental challenges. Politics is slowly expected to follow and create the technological base for a carbon-neutral world by 2070.

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3   At the time of writing, the EU is strongly supporting deliberative democracy, civic participation, and the 'healthy democracy' perspective.(see. Conference on the future of europe, https://futureu.europa.eu/?locale=en)

4   Kuntze, L., & Fesenfeld, L. P. (2021). Citizen assemblies can enhance political feasibility of ambitious climate policies.

5   Wells, R., Howarth, C., & Brand-Correa, L. I. (2021). Are citizen juries and assemblies on climate change driving democratic climate policymaking? An exploration of two case studies in the United Kingdom.

6   Luo, C. M. (2021). The COVID-19 Crisis: The EU Recovery Fund and its Implications for European Integration–a Paradigm Shift.

Conclusion

Does our future hold moderate growth, a successful economic transformation, or an increasingly inwards-oriented politics? Who - individuals, the state, societal groups - has the power to affect development trajectories, and where does this power come from? Looking at the future is always grounded in existing knowledge and assumptions. The scenarios, with the baseline and alternative future images, hopefully serve to raise questions about how politics and selected interventions can shape our future trajectories - despite these interventions depending on a variety of factors and drivers of change.

Democracy and the institutions, processes, and actors it encompasses, of course cannot have a single unified future. Rather, we will see local phenomena alongside global, national, and local interpretations of overarching themes. At the time of writing, our planetary boundaries have shaped our collective political priorities in an unprecedented manner. For the governance of digital technologies, questions will be raised about broader themes, such as non-discrimination, economic implications, and privacy, but also about new specific contexts and digital tools as they arise. At the same time, it is difficult to estimate how these developments will affect society, create winners and losers, and how these dynamics will affect societal relations and politics. We can work to understand and estimate these ongoing developments as they unfold, but there must also be preparedness for unexpected shifts along the way. It is unlikely that the key political questions of today will disappear, but their meaning, salience, and relevance will evolve over time.

The importance of independent research in raising these questions, challenging crystallised ideas, and finding solutions cannot be emphasised enough. Hence, future-ori-

> **With these scenarios, we can think about how preferable futures can be brought about and undesirable futures be prevented with our actions today and in the near future.**

ented and transformative research also plays an important role in supporting societal and political imagination about future trajectories. The scenarios have aimed to bring to the fore themes of the future and its uncertainties as they arise in academic discussions, whilst also challenging the reader to themselves question these assumptions and read more about the topic.

We do not present recommended courses of action on the basis of these scenarios. That would be inappropriate, since an infinite number of possible scenarios could be formulated, and our scenarios by no means exhaustively encapsulate the different realistic trajectories. Instead, we encourage the reader to, in each scenario, underline the development trajectories they consider either preferable or unwanted. This way, we can think about how preferable futures can be brought about and undesirable futures be prevented with our actions today and in the near future.

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