EUROPE 2036 - ALTERNATIVE SCENARIOS OF ECONOMIC, POLITICAL AND SOCIAL DEVELOPMENT

Ivan KLINEC

ABSTRACT
The article Europe 2036 – Alternative Scenarios of Economic, Political and Societal Development contains 4 alternative scenarios of future development of Europe in the time horizon of future 25 years (Scenarios were designed in the year 2011). Scenarios were created on a base of matrix of global change, which allows to model future development in the time horizon of future 25 years. Alternative scenarios include the most probably and most desirable scenario Superpower Europe, which envisages the creation of the United States of Europe in the given timeframe. The other three scenarios Puzzle Europe, Europe of Alliances and Europe of Conflicts are less probably, but under certain conditions can be fulfilled.

KEYWORDS
alternative scenarios, global change, market state, information society, eco-social market economy

INTRODUCTION

The future of Europe is undoubtedly linked to the future shape of the European Union. The European Union is a project of integrating the various countries of Europe together. The common currency Euro shows that the future of Europe is to create a state entity that would be competitive in a global economy and the world market and also should ensure the competitiveness of the economies of individual countries in these conditions.

The current form of the European Union is the result of the development process, which is a reaction to the previous two world conflicts, which triggers were conflicts between the countries of Europe. The European Union project is therefore primarily targeted to eliminate the possibility of another conflict of similar magnitude between the countries of Europe.

The future of Europe will be likely the future of the new European superpower, which will create conditions for peaceful coexistence of the nations of Europe and for creating the new economic model that will enable Europe to have a dominant position in a global economy and the global market.

The future of Europe will be significantly affected by the ongoing transformation of civilization from industrial towards information age and also by emerging new global environment, which will determine the parameters of the space in which the new shape of Europe will create.

The future Europe will have a new form of the emerging information age and individual states will contribute to the cultural diversity of Europe, which will represent a significant competitive advantage in the emerging global civilization and in the emerging environment of global economy and world trade.

The slower pace of creation of common institutions and of the legal, social and economic systems of the European Union compared with the rapid pace of progress eg. China will, over time can translate into greater stability of economic, social and political system of the European Union.

Europe as the dominant global superpower is also the most desirable and the most likely scenario for future development of the European Union. Implementation of such a scenario would help to stabilize the system of global civilization and allow the creation of ethical, social and human dimensions of the current system of global economy and global market.

Implementation of such a scenario would allow the creation of a new model of eco-social market economy, which would allow the greater stability of emerging information age economy.

After two world conflict Europe can contributed to the world with economic and social system based on the principles of justice, ethics and humanism.

Europe in the world

Status of Europe in the world is currently largely overlooked. The reason is that the creating European Union has a unique status and is still considered by groupings of states, although common Euro currency shows that the European Union has already essential characteristics of state.

As the strongest economy the world is today referred to the U.S. economy, followed by China (in the year 2011). In fact, since 2007 is European Union the first or the second most powerful economy in the world economy.

The single European currency Euro successfully competes with the U.S. dollar, although the U.S. dollar remains the world’s reserve currency.

As for the performance of the economy, the economy of the European Union as a whole is the Third Wave economy as well as the economies of most countries of the European Union with the exception of newly post-communist countries, including the Slovak Republic.
Visions of the Future of Europe

Europe’s future is dealt in publications of dozens of different thinkers, as e.g. in the books of Richard N. Coudenhove-Kalergi, Guy Verhofstadt, Johan Galtung, Jeremy Rifkin, T. R. Reid, Mark Leonard, Franz Josef Radermacher, George Friedman and others.

Austrian politician, philosopher and visionary Richard N. Coudenhove-Kalergi created the concept of Pan-Europe, which he presented in his book Pan-Europe and he also became the founder of the Pan-European movement. The concept of Pan-Europe strongly influenced the process of creating the European Union and its institutions.

Belgian politician Guy Verhofstadt says about the need for creating the United States of Europe. Verhofstadt highlights about the need for the completion of the basic institutions of the European Union, so that the European Union becomes equivalent to a global player.

Jeremy Rifkin, Franz Josef Radermacher, Mark Leonard and others pointed to the social dimension of the European model, which can mean inspiration to the world and a competitive advantage in terms of long-term stability e.g. in comparison with the U.S. model.

American economist and futurologist Jeremy Rifkin argues that the European dream in the form of the social European model will gradually replace the American dream. Rifkin served as advisor to the European Commission President Romano Prodi.

Franz Josef Radermacher deems as most acceptable model for Europe eco-social market economy. This economic model is based on a balance between ecology, social development and market.

Visions and prognosis of the future of Europe

The future of Europe is engaged in dozens of forecasts, which in most cases are processed in the form of scenarios and include shape of the future of Europe respectively.

---

Projections of economic development of Europe or individual European countries are prepared mostly by international financial and analytical institutions and the analysis and conclusions are discussed and transferred into the individual prognosis.

Forecasts of the future of Europe are processed by the following institutions:

- **International financial institutions** - the World Bank, the International Monetary Fund, the World Trade Organization are regularity precising the short, medium and long-term prognosis for the future of Europe and its individual countries. These take the form of separate reports and publications or are included in publications dealing with the future development of the global economy.

- **European institutions** are processing the forecasts on the future of Europe respectively European Union, particularly for the management structures of the European Union, especially for the European Commission, which also funds its production. An example is the European Union Institute for Security Studies

- **Research, analytical and forecasting institutions** of European countries develops their own forecasts on the future of Europe, respectively European Union. An example is the London-based European Council on Foreign Relations

- **American institutions** are processing their own forecasts of the future of Europe or collaborate with the European institutions in the development of their own forecasts of the future of Europe. Forecasts of the future of Europe were processed by the CIA, Stratfor, Center for Strategic and International Studies CSIS, Brookings Institution and other institutions.

**Basic Characteristics of Alternative Scenarios**

Basic characteristics of alternative scenarios of the future development of Europe are focusing on the key areas of the economy and society as well as on the potential problem areas that could lead to problems within the European Union or in relation to the neighboring countries or would have a negative impact on the world economy and international stability.

- **Political power** - scenarios considering with the establishment of a political system of the functional state and the gradual transformation of the system to a system similar to the U.S.

- **Social system** - scenarios considering with the possible structuring of the social system and its the completion into either form of democracy, a functioning parliamentary democracy at the EU level or renewal of...
undemocratic systems of various kinds in different countries im the case of failure of European integration processes

- Constitutional system - considering scenarios with the European Union as a market state in the form of a management with its specific forms at EU level and at the level of nation-states
- Economic system – scenarios considering with the Europe as the eco-social market economy, which should be more stable in the world economy than the current U.S. and Chinese economic model
- Organization - scenarios calculating with a combination of network and hierarchical structure, especially the structure of the network should be an advantage of Europe compared to other countries of the world, especially for the network characteristic gray respectively. informal economy are taken into account in the case of the failure of European integration processes
- Technology - scenarios take into account the fact that the European Union as a whole is the economy of the Third Wave and the dominant technology is information technology
- Competitiveness – scenarios considering with a model of eco-social market economy as the model that is able to ensure Europe's competitiveness in the long time horizons
- Internet - scenarios considering the need of growth of the Internet facilities and information technology as a precondition for competitiveness in the global economy
- Demographics – scenarios considering in the case of successful integration with the gradual recovery of demographic growth respectively stopping the demographic decline

Europe 2036 – Alternative scenarios

### National State

Europe of Conflicts

Puzzle Európa

Industrial Society

Information Society

Europe of Alliances

Superpower Europe

### Market State

#### Scenario Puzzle Europe

**Basic Characteristics**

Puzzle Europe scenario describes the development of Europe as it is. Individual member states are unable to agree on further integration of Europe. Europe is made up of a large number of countries that have made their own policy, they compete with each other, some have common currency Euro, others have their own currency. Remain significant differences in the equipment of modern technology. Also remain significant differences in the standard of living of people in individual countries, int systems of the pension and social security

In developed countries promote the model of eco-social market economy and democracy is becoming more participatory. In less developed countries, especially in the post-communist world dominates Darwinian social policy, which is associated with the non-functioning of the system of democracy and the rise of power of local oligarchies.
This scenario is not very likely. The current form of European Union will gradually transform in the form of the United States of Europe – see scenario Superpower Europe or will disintegrate - see scenarios Europe of Alliances or Europe of Conflicts. Under certain conditions, this scenario is possible in a variety of modifications in the next ten years.

**Characteristics of the political and social system:**

<table>
<thead>
<tr>
<th>Political system:</th>
<th>the European Commission, Council of Europe, the European Parliament, president, European bureaucracy, national governments, national sovereignty is limited</th>
</tr>
</thead>
<tbody>
<tr>
<td>International relations:</td>
<td>nation states are members of United Nations and international organizations</td>
</tr>
<tr>
<td>Society:</td>
<td>information society</td>
</tr>
<tr>
<td>Economic system:</td>
<td>eco-social market economy, the new economy of information society</td>
</tr>
<tr>
<td>Currency:</td>
<td>Euro, national currencies</td>
</tr>
<tr>
<td>Organization:</td>
<td>European hierarchy, European networks, national hierarchies, the national networks</td>
</tr>
<tr>
<td>Technology:</td>
<td>information technology</td>
</tr>
<tr>
<td>Competitiveness:</td>
<td>partly global competitiveness</td>
</tr>
<tr>
<td>Internet:</td>
<td>on-line by maturity economies</td>
</tr>
<tr>
<td>Demographics:</td>
<td>stagnation, slow decline</td>
</tr>
<tr>
<td>Security:</td>
<td>European security system, national security systems</td>
</tr>
<tr>
<td>Defense:</td>
<td>European defense system, the national armies</td>
</tr>
<tr>
<td>Freedom of expression:</td>
<td>guaranteed</td>
</tr>
<tr>
<td>Culture:</td>
<td>cultural diversity</td>
</tr>
<tr>
<td>Language:</td>
<td>English, languages of national cultures</td>
</tr>
<tr>
<td>Environment:</td>
<td>partial sustainable development</td>
</tr>
</tbody>
</table>

**Scenario Europe of Conflicts**

**Basic Characteristics**

Scenario Europe of Conflicts envisages the gradual disintegration of the European Union’s current form. Eurozone falls apart, several countries are excluded from the Eurozone or gradually emerge from it. These countries are transferred to their original currency, which is accompanied by a sharp and rapid decline in the standard of living of the population. It creates the core of the European Union, which are developed countries. Less developed countries are gradually excluded from the European Union. A functioning democracy is preserved in the core countries of the European Union. In less developed countries the decline in the standard of living is connected with the successive renewal of authoritarian regimes, creating mainly on the base of oligarchic structures. Violated are basic human rights. Economic system in the country works on the basis of social Darwinism. Conflicts arise between states and also conflicts within states. Revived nationalism and lead to disputes over territory, which may take the form of a military conflict or civil war. Extreme alternative of development in this scenario is the Europe-wide outburst of hostilities, which may again lead to global military conflict. This scenario would mean devastation of Europe and its ultimate end as a functioning democracy.

This scenario is less likely. It is possible only under specific conditions of negative development of the global economy and the global market as well as in the case of interference in the development of Europe of other world power.

**Characteristics of the political and social system:**

<table>
<thead>
<tr>
<th>Political system:</th>
<th>international agreements, national governments, national sovereignty</th>
</tr>
</thead>
<tbody>
<tr>
<td>International relations:</td>
<td>nation states are members of the United Nations and international organizations</td>
</tr>
<tr>
<td>Society:</td>
<td>industrial society, information society by maturity of individual countries</td>
</tr>
<tr>
<td>Economic system:</td>
<td>industrial economy, the market, the new economics of the information society by maturity</td>
</tr>
<tr>
<td>Currency:</td>
<td>the national currency</td>
</tr>
<tr>
<td>Organization:</td>
<td>national hierarchy, organized crime networks</td>
</tr>
<tr>
<td>Technology:</td>
<td>industrial technology, partially information technology</td>
</tr>
<tr>
<td>Competitiveness:</td>
<td>partially</td>
</tr>
<tr>
<td>Internet:</td>
<td>on-line by maturity of country</td>
</tr>
<tr>
<td>Demographics:</td>
<td>decline, aging</td>
</tr>
<tr>
<td>Security:</td>
<td>national security systems</td>
</tr>
<tr>
<td>Defense:</td>
<td>national army</td>
</tr>
<tr>
<td>Culture:</td>
<td>cultural diversity, cultural struggle</td>
</tr>
<tr>
<td>Language:</td>
<td>languages of national cultures</td>
</tr>
<tr>
<td>Environment:</td>
<td>partial collapse</td>
</tr>
</tbody>
</table>
Scenario Superpower Europe

Basic characteristics
Superpower Europe scenario is the most likely scenario as well as the most desirable development in Europe. This scenario envisages the continuation of the European integration process and the gradual establishment of the United States of Europe, which operate on similar principles as the United States. Individual EU member states are gradually shifting to the common currency Euro.

Under external pressure of the global economy and world trade the members of the European Union are forced to create EU government, parliament and other functional components of the state. They gradually create a European army in the form of European defense forces as well as European security structure.

The basic economic model of the United States is the European model of eco-social market economy, which is implemented in all member states. This economic model leads to a gradual increase in the standard of living in less developed states and in the new member states and the gradual convergence of living standards with the developed countries.

The political system of the United States of Europe is a functioning parliamentary democracy with a significant representation of the elements of democracy.

United States of Europe is gradually becoming the dominant superpower with attractive economic model, which is more stable for longer time horizons and more competitiveness. This economic model facilitates the gradual stabilization of the global economy and the global market and become functional brake of destructive action of unregulated market forces.

This scenario is most likely, and the probability of its realization in the year 2036 is moving at around 85%. It is the most desirable scenario.

Characteristics of the political and social system:
- Political system: federalism, parliamentary democracy, government, parliament, president, regional governments
- International Relations: United States of Europe member of the UN and international organizations
- Society: information society
- Economic system: eco-social market economy, the new economy of information society
- Currency: Euro
- Organization: mix hierarchies and networks, European networks, national networks
- Technology: information technology
- Competitiveness: global competitiveness
- Internet: high penetration
- Demographics: stagnation, slow recovery of growth
- Security: European security system
- Defense: European army
- Freedom of expression: guaranteed by the Constitution
- Culture: cultural diversity
- Language: English, languages of national cultures
- Environment: sustainable development

Scenario Europe of Alliances

Basic characteristics
Europe alliances scenario envisages the gradual disintegration of the European Union's current form. Several member countries exit from the Eurozone or are excluded from it, and pass back to their original currencies. The EU member states are unable to agree on further integration. Emerging blocks and alliances of individual states with growth potential of conflicts between them. Individual alliances countries are created either on the historical principle, on the ethnic principle, on the principle of territorial or on base of joint performance of individual economies.

Alliances create their own economic zones respectively common market, self defense and security systems and their own stituions for their own advocacy to other states and alliances. In some countries there may be restoration of authoritarian regimes. Growing nationalism. Increases the likelihood of conflicts on the territory and markets, even in the form of military conflicts.

In the less developed countries are becoming the dominant economic system based on the principles of social darwinism. In advanced countries, the dominant economic system is a model of eco-social market economy.

Europe is once again becoming divided and the division is likely by small iron curtains.

This scenario is less likely. Its implementation is possible in a combination of the failure of European integration processes and negative developments in the global economy and world trade.
Characteristics of the political and social system:

Political system: the alliance of nation states, national governments, national sovereignty
International relations: nation states are members of United Nations and international organizations, the alliance of nation states as an international player
Society: industrial society, information society by maturity
Economic system: an industrial economy, the market, the new economics of the information society by maturity
Currency: national currency
Organization: national hierarchy, hierarchy of alliances
Technology: industrial-technology, partially information technology
Competitiveness: partially
Internet: on-line according to maturity
Demographics: decline, aging
Security: European security system
Defense: national army, defense formations of alliances
Culture: cultural diversity, cultural struggle
Language: languages of national cultures
Environment: partial collapse

Europe 2036 – Wild Card Scenarios

Wild card scenarios are very unlikely event that it should make a significant impact and broad implications for the future development of Europe in all areas.

These scenarios could undermine the current European integration processes and the possible implementation of these scenarios could lead to the disintegration of Europe or new re-induction of global scale military conflict.

Wild card scenarios that could disrupt the expected development of Europe in the period up to the year 2036 include a wide variety of less probable events that may include:

- Economic conflict with the U.S.
- Economic conflicts with China
- The military conflict between the member states of the European Union
- The military conflict with Russia
- Military conflict with Islamic countries
- Military conflict with North African countries
- Nuclear conflict, reaching into Europe
- The internal civil war in the Europe
- Large scale terrorist attack on the territory of Europe
- Exit of the member states and disintegration of the European Union
- Unmanageable influx of immigrants from Africa or Asia as a result of armed conflict or natural disaster
- Disintegration of the Eurozone
- Disruption of oil and gas from Russia
- The oil crisis
- Nuclear explosion in industrial and power centers
- Industrial large-scale disaster
- The collapse of basic infrastructure
- Natural disaster
- Pandemic on European or global scale

References


Decade Forecast: 2010 – 2020. STRATFOR Global Intelligence, STRATFOR, Austin, Texas, January 21, 2010

Decade Forecast: 2005 – 2015. STRATFOR Global Intelligence, STRATFOR, Austin, Texas, February 7, 2005


Friedman, George (2011): The Next Decade. Where We’ve Been...and Where We’re Going. Doubleday, New York, New York


Galtung, Johan (2007): New Era In A Traditional World. STRATFOR, Austin, Texas, January 1, 2010

Galtung, Johan (2007): Next Decade. Where We’ve Been...and Where We’re Going. Doubleday, New York, New York


Klinec, Ivan (2010): Podstata a strategický rozmer vládnutí v informačném veku. Rozprava OFS a FMV VŠE Praha


