WeLaR

Foresight report on the long term impacts of megatrends on labour markets and welfare states

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Abstract

This foresight exercise was undertaken to explore how Europe's labour markets and welfare systems could evolve by 2040 under different combinations of global economic integration, climate policy ambition and technological change. Its aim was to assist policymakers with anticipating structural shifts, identifying strategies that remain relevant across a range of uncertain futures, and designing policies capable of supporting both competitiveness and social cohesion.

The study sought to develop plausible and contrasting scenarios for Europe's socio-economic future, assess the risks and opportunities each scenario presents for labour markets, welfare systems and social equity, co-design policy recommendations tailored to each scenario while identifying cross-cutting "no-regrets" areas for action, and strengthen the capacity of policymakers and stakeholders to think and plan strategically under uncertainty.

The process combined three complementary components. First, scenario building was used to construct four coherent but contrasting futures by systematically varying three core drivers: the degree of global economic integration, the strength of climate policy, and the pace of technological change. These four scenarios ranged from highly integrated, high-technology, green futures to more fragmented, slower-growth contexts with constrained innovation. Second, a Delphi-like survey[1] gathered expert assessments of the likelihood and potential impact of key developments linked to each scenario. This provided an evidence-based foundation for discussions, revealing where expert opinion converged and where uncertainty remained high. Third, two participatory workshops engaged stakeholders from across Europe, with a first workshop introducing the scenarios and gathering initial policy ideas, and a second workshop refining these ideas into detailed recommendations. Small group discussions were supported by structured templates and background materials, and recorded with participants' consent to ensure a full capture of insights.

The analysis highlights several overarching insights that cut across scenarios. The green and digital twin transitions will profoundly reshape labour markets, creating new, high-quality jobs in emerging sectors but also risk displacement, structural unemployment and widening inequality if adaptation measures lag. Inequality is a persistent risk under all futures, whether driven by technological change, economic fragmentation or uneven access to resources, and disparities between skills groups, regions and generations risk deepening without targeted intervention. Welfare systems face mounting pressure to adapt. In more prosperous contexts there is scope to redesign systems to link income support with active labour market policies, while in constrained contexts expanding access to essential services such as housing, childcare, education and transport can maintain social stability without relying solely on monetary transfers. Skills and education emerge as strategic levers for resilience, as misalignment between current training provision and future labour market needs remains a structural vulnerability in all scenarios. Modernising curricula, strengthening linkages between academia and industry, and investing in lifelong learning are critical. Finally, integrated governance is essential, as fragmentation across policy domains and

1 In our case, the method is described as Delphi-like because it included only one round of online consultation per phase, without an explicit effort to build consensus among participants.

governance levels risks undermining transitions. Climate, industrial, labour market and welfare strategies must be coordinated to avoid conflicting objectives and to maximise synergies.

From the scenario-based policy design, eight detailed policy packages were developed — two for each scenario, in each case one policy package focused on labour markets and one policy package on welfare systems. For example, in a highly globalised, high-technology and climate-ambitious future, policies such as an Inclusive Transition Programme and an EU Transition Support Mechanism would support job-to-job mobility, reskilling and income security. In a more fragmented, slower-technology but still climate-ambitious Europe, policies such as an Academia–Industry Competence Pact and Local Public Goods Compacts would realign education and training with green economy needs and guarantee affordable access to essential services. Across all scenarios, several "no-regrets" strategies emerged, including sustained investment in green and digital skills, the combination of income security with active labour market policies, the expansion of essential services to reduce vulnerability to labour market volatility, stronger multi-level governance coordination, and the creation of permanent foresight capacity to monitor change and adapt strategies.

The foresight process has demonstrated that scenario-based, participatory approaches can enrich policy design by clarifying long-term risks and opportunities, revealing robust priorities, and fostering shared understanding among stakeholders. However, the translation of foresight insights into political action requires broader inclusion of stakeholders, particularly from under-represented regions and groups; the integration of short-, medium- and long-term horizons to connect immediate decisions with future outcomes; the embedding of foresight into institutional processes to ensure regular updates and alignment with policy cycles; and the linking of strategic recommendations to concrete implementation roadmaps, financing strategies and governance arrangements.

By adopting these practices, Europe can use foresight not only to anticipate the future but to shape it, ensuring that the transitions of the coming decades are inclusive, equitable and resilient.

1. Introduction

This foresight report of the WeLaR project (Welfare systems and labour market policies for economic and social resilience in Europe), explores the potential long-term impacts of four transformative global megatrends, digitalisation, globalisation, climate change, and demographic shifts, on European labour markets and welfare systems. The objective of this foresight exercise is to support strategic thinking and evidence-informed policymaking by offering plausible visions of the future and assessing the implications of different development paths. Rather than attempting to predict what lies ahead, the exercise presents a structured and participatory scenario-building process, combined with expert validation through a Delphi-like study, to capture the complexity and uncertainty surrounding the transitions shaping Europe's social and economic landscape.

This foresight exercise was purposely forward-looking: it aimed to discuss and develop scenarios for the EU labour market and welfare states by the year 2040. This long-term perspective enabled a deeper understanding of structural transformations and policy pathways that extended beyond short-term electoral or economic cycles. It encouraged reflection on how current decisions and reforms might have shaped, enabled, or constrained more equitable and resilient futures.

In line with WeLaR's broader objective to strengthen the capacity of European welfare and labour market systems to promote resilience, understood as the ability to absorb shocks, adapt to structural transformations, and maintain inclusive growth and social cohesion, this report investigates how the interactions between the four megatrends might evolve by 2040, and what this would mean for employment, working conditions, social protection, and equity across Europe. It builds on empirical and analytical insights from WeLaR Work Packages (WPs) 2 to 6, integrating diverse stakeholder perspectives and expert judgement throughout the process.

The foresight process followed a two-pronged methodological approach, structured around an iterative sequence that allowed for validation and refinement at each stage. It began with a participatory scenario-building phase through the first workshop, where experts and stakeholders identified key drivers, uncertainties, and interlinkages shaping the future of work and welfare in Europe. This was followed by the first round of a Delphi-like study, in which a broader group of experts assessed the plausibility, assumptions, and implications of the draft scenarios. Their feedback informed the second workshop, where the scenarios were further refined and discussed, including through a dedicated policy panel. A second Delphi-like round then followed, aiming to identify areas of consensus, persistent uncertainties, and key policy insights. This step-by-step process ensured that each phase of the foresight exercise was grounded in expert input and built upon the results of the previous one.

The rationale for this foresight exercise stems from the understanding that the four megatrends examined in the WeLaR project, while often considered in isolation, are in fact deeply interconnected. These megatrends are not best understood as external forces shaping European societies from the outside, but rather as the cumulative outcomes of complex and large-scale social processes. They reflect patterns of change driven by economic restructuring, technological innovation, demographic shifts, and environmental pressures, processes which are themselves root-

ed in human decisions, institutional dynamics, and collective behaviours. Viewed sociologically, megatrends are not deterministic forces, but aggregations of actions and interactions that manifest over time at the macro level, often beyond the intentions or awareness of individual actors. Their effects can be transformative, producing systemic pressures on institutions, labour markets, welfare systems, and governance frameworks. This makes them difficult to address through traditional policy levers alone.

In this context, megatrends serve as a conceptual and methodological tool, a way of reducing complexity, making sense of interrelated transformations that cut across disciplinary boundaries and policy silos. They offer a framework for thinking strategically about long-term change, for identifying emerging challenges and opportunities, and for exploring how different futures might unfold depending on present-day decisions. By treating these trends not as fixed trajectories but as socially embedded processes, the foresight exercise invites reflection on how institutions and policies might not only adapt to change, but actively shape it in more inclusive, equitable, and resilient directions.

Digitalisation is transforming job structures, employment relations and skills demands, while simultaneously raising concerns about precarity, surveillance, and labour market polarisation. Globalisation, although evolving under new geopolitical constraints, continues to influence labour mobility, production chains, and the scope of national welfare responses. Climate change imposes urgent transitions across all sectors, creating uneven labour market effects and exposing gaps in social protection. Demographic trends, particularly population ageing and changing migration patterns, raise new questions about the sustainability, adequacy, and fairness of European welfare systems.

Taken together, these megatrends present profound challenges to the legitimacy and effectiveness of current labour market policies and welfare institutions. But they also present a window of opportunity to rethink policy frameworks, anticipate emerging social needs, and design systems capable of withstanding future shocks. This foresight exercise contributes to that endeavour by offering coherent and thought-provoking future narratives, grounded in research and stakeholder knowledge, and by identifying pathways towards more socially just and resilient policy outcomes.

The structure of the report is as follows. Section 2 outlines the methodological framework, including the rationale for a foresight approach, the design and facilitation of the two workshops, and the structure of the two Delphi-like surveys. Section 3 presents the results: the scenarios developed during the first foresight workshop (and the additional one developed by the research team), insights from both Delphi-like rounds, and policy recommendations emerging from the second workshop and the policy panel. Section 4 discusses the broader implications for labour markets and welfare systems. Section 5 concludes with key takeaways and reflections on the value of foresight as a policy tool.

In an era of deep transformation and structural uncertainty, developing a shared understanding of possible futures for European labour markets and welfare states is both urgent and essential. This foresight report is intended as a resource for policymakers, researchers, and stakeholders to navigate complexity with greater clarity, creativity, and purpose, towards a more resilient and inclusive Europe by 2040.

2. Methodology

2.1. FORESIGHT APPROACH

2.1.1. APPLYING PRINCIPLES AND RATIONALE FOR SCENARIO-BUILDING AND DELPHI-LIKE SURVEYS

The foresight approach of the WeLaR project was designed to explore plausible long-term developments affecting European labour markets and welfare states under the influence of four megatrends: digitalisation, globalisation, climate change, and demographic change. Rooted in a commitment to inclusive, forward-looking, and evidence-informed policy design, this foresight exercise used scenario-building and Delphi-like methodology to anticipate change, test assumptions, and co-create policy responses.

Scenario-building is a well-established foresight tool particularly suited to navigating complexity and uncertainty. In this context, scenarios are not predictions but structured narratives about alternative futures that explore how key social, economic, political, and technological drivers might interact over time (OECD 2025a). By constructing four contrasting scenarios, the exercise captures a wide spectrum of plausible outcomes, stimulates critical reflection, and provides a space for exploring the consequences of current choices. Each scenario integrates findings from WeLaR WPs 2 to 6 and reflects input from stakeholders representing different sectors, regions, and disciplines.

Several key principles guided the scenario-building process. It was participatory, ensuring the inclusion of diverse perspectives from policymakers, researchers, social partners, and civil society representatives. It was exploratory, encouraging reflection not only on what is likely to happen, but also on a range of alternative futures. It was integrative, drawing on cross-cutting evidence related to labour markets, social protection, and institutional resilience. And it was iterative, with feedback loops built in through a sequence of workshops and Delphi-like rounds.

The WeLaR foresight process: 4 different steps

Figure 1. The four steps of the WeLaR foresight exercise

In the first workshop, participants developed three draft scenarios: the Structured Transformation, marked by proactive governance and coordinated policies leading to positive outcomes; the Not-

So-Good Scenario, characterised by fragmentation, weak governance, and growing disparities; and Good Old Stagnant Europe, depicting a slow-moving EU with limited innovation and declining global influence. Due to last-minute cancellations,[2] the fourth scenario, The Downsizing Scenario,[3] characterised by ambitious climate goals hindered by economic and technological constraints was developed afterward by HIVA KU Leuven, ZSI, and OSE. These four scenarios then provided the foundation for the first Delphi-like survey, which assessed their plausibility, assumptions, and policy implications.

The first Delphi-like survey applied a structured method to gather expert judgement under conditions of uncertainty. Although only one round of consultation was carried out per phase, the survey still allowed experts to reflect on the plausibility, coherence, desirability, and expected impacts of the four scenarios. The results were not taken in isolation: they were discussed in depth at the second foresight workshop, enabling refinements to scenario assumptions and highlighting both areas of consensus and divergence among experts.

The second foresight workshop built directly on this groundwork. The morning session presented the scenarios, survey results, and policy panel insights, providing participants with a shared understanding of future developments and challenges. This created the basis for critical discussion and validation of the scenarios' relevance. In the afternoon, the focus shifted to co-creating concrete policy recommendations, with structured group work on labour markets and welfare systems. Outputs were systematically collected and analysed, ensuring that recommendations were both forward-looking and grounded in the scenario work.

The second Delphi-like survey then turned to evaluating these recommendations. Experts assessed their relevance, feasibility, and likely effectiveness across different scenarios, clarifying which measures commanded broad support and which were more contested. This iterative process enhanced the robustness of the recommendations, brought in nuanced reflections on trade-offs and implementation challenges, and strengthened the integration of foresight with practical policymaking. Taken together, the scenario-building and Delphi-like methods provided a layered view of Europe's possible futures, connecting long-term developments with actionable strategies and reinforcing the credibility and legitimacy of the foresight exercise.

The integration of scenario-building and Delphi-like methods provides a multi-layered view of the future, linking possible developments to concrete policy options (Gordon 1994, Robinson 1991). Together, these approaches enhance the credibility, relevance, and legitimacy of the foresight results, helping decision-makers engage with uncertainty while remaining anchored in realistic institutional and social dynamics.

2 Due to some last minutes cancellations from participants to the workshop, it was decided to focus on three scenarios to ensure that the small discussion groups remained sufficiently large and balanced, rather than having smaller groups with only a few participants discussing all four scenarios.

3 More details about the developed scenarios will be given in Section 3.1.

2.1.2. WHY 2040?

The time horizon of 2040 was selected to enable a meaningful long-term exploration of the trends and transformations likely to shape European labour markets and welfare states. The chosen horizon is far enough into the future to allow for structural changes to unfold, including technological, environmental, and demographic shifts, yet close enough to remain relevant for today's policy debates and planning cycles.

A 2040 perspective also aligns with some of the key European and global policy frameworks. It follows from the EU's commitments under the 2040 climate target[4] and the EU Policy Lab report on the Reference foresight scenarios on the global standing of the European Union in 2040 (Vesnic-Alujevic et al., 2023). It also fits with the broader foresight literature that recognises 15–20 years as a workable horizon for anticipating societal transitions without venturing into speculative territory (OECD, 2025a).

Critically, the 2040 horizon enables this foresight exercise to take into account generational change in both labour market participation and welfare system design. It allows to analyse of how younger cohorts entering the labour market today will experience evolving working conditions, skills needs, and social protections, and how ageing populations will influence public finances, care systems, and intergenerational solidarity.

By focusing on 2040, the WeLaR foresight exercise encourages a shift in thinking: from reactive policy to anticipatory governance; from short-term fixes to long-term resilience; and from incremental adjustments to transformative strategies. The scenarios and Delphi-like survey results presented in the following chapters are intended to guide policymakers, stakeholders, and researchers in considering what kind of labour markets and welfare states Europe might need, and want, by 2040.

2.2. FORESIGHT WORKSHOPS

2.2.1. FIRST FORESIGHT WORKSHOP: DESIGNING SCENARIOS FOR THE EU LABOUR MARKET AND WELFARE STATE BY 2040

The first foresight workshop of the WeLaR project, held on 28 November 2024 at the Nordic House in Brussels, marked a key milestone in the scenario-building process. Its primary aim was to co-construct four contrasting scenarios for the state of European labour markets and welfare systems by the year 2040. The workshop adopted an explorative scenario planning approach, enabling participants to imagine and articulate how different constellations of megatrends and drivers could shape future socio-economic realities. This format is particularly suited for contexts where the aim is not to predict what will happen, but to explore what could plausibly happen under certain assumptions, so that policy can be shaped proactively rather than reactively.

The event brought together a diverse mix of stakeholders, including representatives from EU institutions, national administrations, trade unions, employers' organisations, research institutes, and civil society. This diversity was crucial for ensuring that the scenarios reflected a variety of perspectives and real-world concerns. The event was designed and moderated by the HIVA-KU

4 For more information, see https://climate.ec.europa.eu/eu-action/climate-strategies-targets/2040-climate-target_en#:~:text=In%20July%202025%2C%20the%20Commission,Political%20Guidelines%20for%202024%2D2029%20.

Leuven, ZSI, and OSE teams, who also prepared supporting materials and the methodological framework guiding the session.

Methodological framework: Explorative scenario planning

The methodological approach for the first foresight workshop was rooted in explorative scenario planning, a foresight method used to investigate multiple plausible futures in contexts of high complexity and uncertainty. This method is particularly suited to long-term policy challenges, where historical trends may no longer be reliable predictors of future developments, and where anticipating a range of potential pathways is more valuable than relying on a single forecast.

In the context of the WeLaR project, the objective of explorative scenario planning was to help stakeholders think systematically and creatively about how four major megatrends—digitalisation, climate change, globalisation, and demographic shifts—might evolve and interact to shape European labour markets and welfare states by 2040. The method aimed to provoke reflection, challenge assumptions, and identify long-term risks and opportunities that are often overlooked in short-term policy cycles.

Key characteristics of the method

Explorative scenario planning addresses the question: *'What could happen?'* rather than *'What should happen?'* or *'What will happen?'*. It recognises that the future is not predetermined and that multiple futures are possible depending on how various uncertainties unfold and how actors respond. In this way, it provides a structured approach to navigating uncertainty, supporting proactive, adaptive, and inclusive policymaking.

The approach has several defining features:

- **exploratory and systemic**: it investigates external developments, structural changes, and their interconnections across sectors and domains;
- **participatory**: it draws on the knowledge, experiences, and perspectives of a diverse group of stakeholders;
- **normatively neutral (at the scenario-building stage)**: scenarios describe plausible outcomes without initially judging them as desirable or undesirable. This neutrality allows for more open exploration;
- **narrative-based**: Each scenario is built as a coherent story that integrates qualitative and quantitative elements.

Application in the first WeLaR foresight workshop

To apply this method within the scope of WeLaR, the research team followed a structured series of steps:

1. **Define the foresight scope and thematic focus**

   The focal question for the workshop was: "What could the EU labour market and welfare state look like in 2040, given different trajectories of key megatrends?" The geo-

graphical scope was pan-European, with scenarios intended to reflect dynamics at the EU level, while acknowledging national and regional variation. The timeframe of 2040 was chosen to capture long-term transformations in employment, social protection, and institutional arrangements.

2. Identify key drivers of change

Prior to the workshop, the research team conducted a driver analysis based on findings from WPs 2-6 of the WeLaR project and an extensive review of literature. Using a standard impact/uncertainty matrix, drivers were categorised into:

a. **predetermined trends** (e.g. demographic ageing, rising life expectancy);

b. **trends with high impact and low uncertainty** (e.g. increasing platform work);

c. **critical uncertainties**, which were used to structure the scenario framework.

From this, the team needed to aggregate some of the four megatrends further since we aimed to arrive at a 2x2 scenario matrix to keep the process manageable within the two workshops and the Delphi-like survey. Hence, we decided to bracket the megatrend of demographic change (ageing and migration) since according to most prognoses, there is little variation to be expected even if migration policies change - however demographic changes were still taken into account in the small group discussions.

Globalisation and climate change were combined into the development of "policy coordination and ambition" under the assumption that internationally and globally coordinated policies are critical in addressing and shaping both megatrends.

4. Select the critical uncertainties to build the scenario matrix

Hence to explore a range of plausible futures, two key but highly uncertain factors were chosen as the axes of the scenario matrix : the pace of technological change and the climate policy stringency (Figure 2). These factors are especially important because they will play a major role in shaping economies, labour markets, and societal outcomes in the decades ahead.

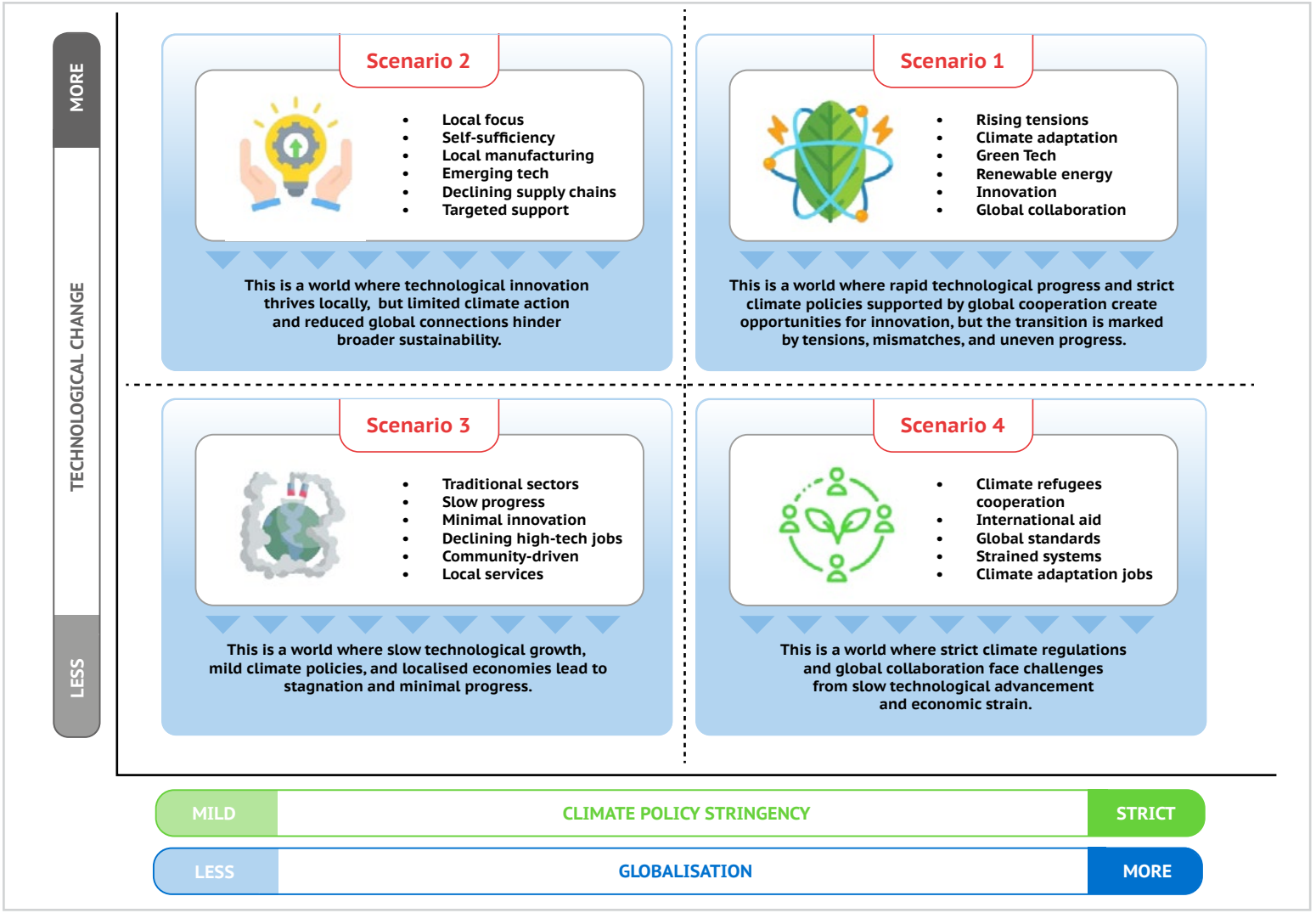
The first axis concerns the pace and direction of technological change. This ranges from rapid, transformative advances that displace labour and automate tasks, to more gradual, incremental innovations that complement human capabilities and enhance productivity. At one end of the spectrum, we might see the widespread deployment of artificial intelligence and robotics reshaping entire industries and reducing the demand for human labour. At the other, technological progress occurs in a more evolutionary manner, supporting existing jobs, creating new types of employment, and allowing time for adaptation across societies.

The second axis captures the degree of policy coordination and ambition in response to global challenges, particularly climate change and the broader impacts of globalisation. This spans from fragmented, inward-looking, and protectionist ap-

proaches—where nations prioritise short-term national interests and act unilaterally—to highly coordinated, globally integrated strategies aimed at sustainability, equity, and long-term resilience. Ambitious and aligned policy action may foster innovation, facilitate transitions to green economies, and mitigate systemic risks, while fragmented responses could exacerbate inequalities and geopolitical tensions.

These two axes form a 2x2 scenario matrix, generating four distinct and contrasting futures. Each quadrant represents a unique combination of technological evolution and policy orientation, providing a structured way to explore how different pathways may unfold. These scenarios are not predictions, but rather tools for strategic thinking—designed to test assumptions, inform decision-making, and enhance preparedness in the face of uncertainty.

Figure 2. The quadrant of scenarios



Note: This quadrant, developed by the HIVA KU Leuven, ZSI, and OSE teams, was presented to participants as the starting point for discussions. It was predefined, and each group was asked to work within the parameters of their assigned scenario.

5. Construct the scenarios using a guided process

Workshop participants were then divided into small groups and each group was assigned one scenario and tasked with building out a fully formed scenario. To support consistency and comparability, the research team developed a scenario-building template[5] structured around the following elements:

a. a narrative headline and summary;

b. description of the labour market (employment levels, work forms, skills needs, sectoral shifts);

c. welfare system responses (coverage, adequacy, financing models, inclusion);

d. broader socio-economic dynamics (e.g. inequality, political legitimacy, citizen well-being);

e. identification of winners and losers (which groups, regions or sectors benefit or are left behind).

Participants also received a fictional newspaper article tailored to each scenario, which offered a playful and engaging way to immerse them in the world of their assigned scenario.[6]

6. Integrate indicators to assess the 'state of the world' in 2040

To ground the scenarios in analytical substance, participants were asked to assess the future 'state of the world' using a shared set of indicators aligned with the WeLaR project, including:

a. employment rates (overall and by group);

b. inequality levels (e.g. Gini coefficient, wage dispersion);

c. coverage and adequacy of social protection schemes;

d. labour force participation by underrepresented groups;

e. social investment metrics (education, training, childcare);

f. fiscal sustainability of welfare systems. These indicators presented during the morning of the workshop, served as common reference points across scenarios and facilitated comparisons during later Delphi-like rounds.

7. Present and evaluate scenarios

Following the group work, each team presented their scenario in plenary. Presentations highlighted key narrative elements, identified who gains and who loses in each scenario,

5 Available in Annex A2.

6 For more information, see the 'Participant package' in Annex A1.

and outlined institutional and policy responses. Participants were then invited to rate the scenarios in terms of

a. plausibility;

b. internal consistency;

c. policy relevance;

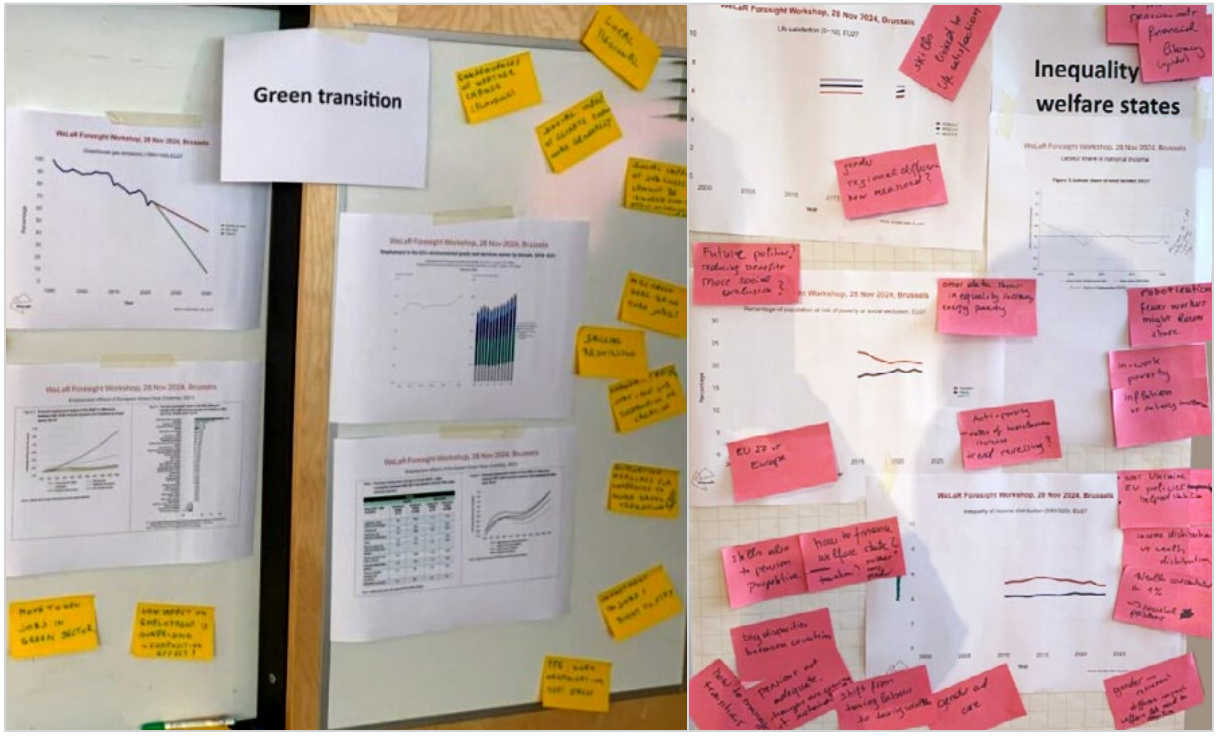
d. potential for promoting social and economic resilience.

These ratings, along with the scenario narratives, fed directly into the Delphi-like Round 1 (see Section 3.2), where a broader set of experts evaluated and refined the scenario content.

Workshop facilitation and flow

Participants received a "Participant's Package" to help them prepare for the workshop, which included an introduction to the workshop objectives, the programme, relevant background indicators, the scenario quadrant, fictional newspaper articles, and a leaflet about the WeLaR project.

The workshop[7] was structured to create a clear arc from exploration to synthesis, balancing structured input and creative thinking. The programme began with registration and a short welcome session, followed by a plenary introduction to foresight and scenario planning. The morning session was then dedicated to setting the scene, with presentations of current trends across various indicators to ensure all participants had a shared understanding of the present context. All participants were invited to comment the trends with post its, sorted by broad topics.



Note: Trends indicators and comments by participants

7 The full agenda of the first workshop is available in Annex A1.

In the afternoon, participants were divided into three groups, each tasked with developing one of the scenarios The scenario matrix and facilitation templates played a crucial role in guiding group work. Templates included space for identifying main drivers, describing the logic of the scenario, and specifying assumptions for key indicators. Each group was supported by two facilitators from the research consortium to guide the discussion and ensure alignment with the workshop goals.

Throughout the day, the Chatham House Rule was applied to create a safe space for open dialogue. Participants were encouraged to challenge assumptions, share experiences, and propose disruptive ideas without attribution.

After reflecting on the scenario, one representant of each group was invited to present their main results This final session allowed cross-group reflection, enabling a shared understanding of the scenario set and preparing the ground for the next phase: Delphi-like Round 1, where a wider group of experts would evaluate and refine the scenarios (see Section 4).

In conclusion, the first foresight workshop successfully laid the foundation for the WeLaR foresight process by delivering four rich and diverse scenarios that reflect both empirical evidence and stakeholder insight. These scenarios form the analytical core of the foresight exercise, providing a springboard for expert validation and policy exploration in subsequent stages. Group sessions were recorded after every participant's consent was obtained, and notes on the templates taken by a member of the facilitation team. These were aggregated into summaries of each scenario to feed into the Delphi-like survey.

2.2.2. SECOND FORESIGHT WORKSHOP: POLICY PATHWAYS FOR LABOUR MARKETS AND WELFARE STATES IN 2040

The second foresight workshop of the WeLaR project was held on 18 March 2025 at Gleis21 in Vienna, Austria, and marked a critical step in translating scenario thinking into actionable policy strategies. While the first workshop focused on developing four distinct and plausible futures for labour markets and welfare states in Europe by 2040, the second workshop shifted attention to exploring how to strategically shape those futures. Participants were invited to engage in policy design exercises informed by the scenarios and supported by the results of the first Delphi-like survey.

This workshop brought together policymakers, researchers, trade unionists, employers' organisations, and civil society actors, again ensuring a diversity of perspectives in the co-creation of forward-looking policy options. Facilitated by the WeLaR partners (KU Leuven, ZSI, and OSE), the workshop applied a backcasting approach, asking not "what will happen?" but "what needs to happen to achieve a desirable future?".

Methodological framework: Backcasting for transformational policy design

The second workshop employed a backcasting approach—a normative foresight methodology suited to major systemic challenges where current trajectories are insufficient or undesirable. Unlike exploratory methods (like those used in the first workshop), backcasting starts from a defined vision of the future and works backwards to identify policies, strategies, and milestones that would lead to that future from the present (Robinson et al., 2011).

This approach is particularly useful in the WeLaR context, where structural megatrends such as technological disruption, climate transition, demographic ageing, and globalisation challenge the stability and inclusiveness of existing labour market and welfare systems. The second foresight workshop recognised that policy must not only adapt to these trends but also shape them toward more resilient, equitable, and sustainable futures.

Why backcasting?

- It enables participants to focus on desirable outcomes, not just plausible ones.
- It encourages strategic and creative policy thinking that goes beyond managing risks to transforming systems.
- It aligns well with policy environments where long-term targets already exist (e.g. EU climate neutrality by 2050, digital transition goals, SDGs).

Basic steps applied in the workshop

1. **Current situation analysis**

   Participants reflected on the present development trajectory, identifying limitations and vulnerabilities of current labour market and welfare state arrangements. This phase drew on "business-as-usual" assumptions already embedded in the first foresight workshop scenarios, particularly where trend continuation was deemed problematic or insufficient. This step was initiated by the panel discussion (see Section 3.3).

2. **Scoping the vision**

   The workshop assumed a shared vision of a desirable 2040, based on the forward-looking outcomes described in each of the four scenarios: inclusive labour markets, adequate and adaptive welfare systems, reduced inequalities, and green and digital transitions that leave no one behind. The demographic and globalisation dimensions were held constant to focus the analysis on technology and climate policy variables.

3. **Scenario framing and Delphi-like feedback**

   The session began with a presentation of the four scenarios (developed during the first foresight workshop 1 and validated in Delphi-like Round 1), as well as an overview of Delphi-like survey findings related to their plausibility and policy implications. This created a foundation for targeted policy discussion within each scenario.

4. **Pathway formulation (group work)**

   Participants were divided into four groups, one for each scenario. Using backcasting, each group answered: What policies and actions must be taken today (and in the coming years) to realise this desired future within the respective scenario? Groups identified:

   a. key policy measures and reforms;

   b. necessary institutional changes;

   c. social investment priorities;

d. milestones and timelines (e.g. key changes by 2030, 2035);

e. political, social, and economic enablers of success.

6. **Evaluation of alternatives**

   Group discussions included a critical assessment of trade-offs, implementation risks, and equity impacts. These insights were used to debate how robust, inclusive, and feasible each pathway might be. The plenary discussion at the end of the workshop aimed to find areas of convergence as well as highlight persistent uncertainties—a key input for Delphi-like Round 2.

Indicators for tracking progress

Each group was encouraged to identify indicators that would signal progress toward their envisioned future. These might include:

a. reduction in in-work poverty;

b. employment rates among low-skilled or older workers;

c. coverage of unemployment insurance or care benefits;

d. CO_2 reduction from labour market transitions;

e. adoption of inclusive digital skill strategies.

This structured, scenario-specific policy development was designed to align with WeLaR's broader goals: supporting economic and social resilience in the face of systemic change.

Workshop programme and flow

The second foresight workshop[8] combined plenary inputs, expert reflections, group work, and collaborative discussion, all aimed at identifying the policy actions needed to move from today's labour market and welfare challenges toward a desirable future by 2040.

Policy panel

A 'policy panel' aimed at discussing promising actions to promote sustainable and inclusive growth in the EU was also organised during the second workshop. The panel was based on the presentation of key recommendations from the European Social Observatory's OSE (draft) WeLaR policy report entitled 'Building resilient and inclusive labour markets in Europe: unpacking policy synergies and challenges' (Peña-Casas et al., 2025).

Following a brief presentation of the draft report by one of the authors, the floor was given to six panellists representing national and EU institutions and bodies, as well as stakeholder organisations involved in social and employment policy.[9] Before the meeting, the panellists were asked to

8 The detailed programme of the second foresight workshop is available in the Annex A3.

9 The panel was held under the Chatham House Rule. It allows participants to use the information shared during a meeting, but prohibits revealing the identity or affiliation of the speakers or any other participants. It is intended to foster open and honest discussion by ensuring confidentiality.

base their contributions on some of the policy areas and recommendations mentioned in the draft OSE report. These include: i) promoting flexible retirement options; ii) enhancing lifelong learning (LLL) initiatives; iii) providing affordable childcare and eldercare; iv) invest in digital skills training; and v) promoting inclusive workplace practices. Each of the panellists chose one of these policy areas and gave a brief presentation of their views on the potential contribution of the actions listed in the OSE draft report to sustainable and inclusive growth. They considered whether these actions would be effective, the circumstances in which they would be effective, and how they could be combined with other measures. They also discussed the main limitations of the recommended measures. In a second round of interventions, the panellists were asked to consider what role the EU could play in supporting such initiatives.

Policy areas eventually selected by the panellist were: i) strengthening lifelong learning initiatives (two panellists); ii) providing affordable childcare and eldercare (one panellist); iii) promoting inclusive workplace practices (one panellist); iii) promoting flexible retirement options and sharing working time (one panellist); and iv) mainstreaming social investment (one panellist).

This was followed by a short debate, during which the panellists answered questions from the audience. The panel aimed at providing a background discussion among policymakers, stakeholders, and the participants on topics and themes relevant to the subsequent scenario building, also taking into account the findings of the project so far.

Outcomes and transition to Delphi-like Round 2

The outputs of the second foresight workshop included a set of scenario-specific policy packages that reflected both stakeholder consensus and the diversity of views represented in the room. Participants identified key milestones and relevant indicators to track progress toward the envisioned futures, offering concrete tools for monitoring transformation. The workshop also led to a deeper understanding of the implementation challenges that may arise, as well as the institutional, political, and social conditions required for success. These results were documented by group facilitators, using the group presentations, recordings of the small group discussions, and notes taken by facilitators. They provided the foundation for Delphi-like Round 2, which invites a broader expert pool to assess the desirability, feasibility, and coherence of the policy strategies developed during the session.

The second foresight workshop thus plays a pivotal role in turning long-term foresight into tangible, actionable strategies, supporting the broader aim of the WeLaR project: to foster labour market and welfare state resilience through informed, inclusive, and future-proof policy design.

2.3. STAKEHOLDER SELECTION AND COMPOSITION

The stakeholder selection for **the first foresight workshop** was carefully curated to ensure a pluralistic and representative mix of actors across research, policymaking, civil society, and the social partners. This diversity was essential to foster a nuanced and forward-looking dialogue on welfare and labour transformations. Research expertise was strongly represented by leading institutions such as CEPS (Centre for European Policy Studies), alongside academic input from the Universities of Lausanne and Amsterdam. These organisations brought evidence-based insights into socio-economic trends, policy evaluation, and innovation in social systems. The presence of

OECD added a comparative and international policy perspective, reinforcing the analytical depth of discussions.

Stakeholder balance was further strengthened through the inclusion of both sides of the social partnership. ACV-CSC and UNI Europa brought the voice of workers and trade unions, while BusinessEurope, a major European employer organisation, ensured the interests and concerns of companies were also considered. Civil society's progressive agenda was represented by SOLIDAR, which brought grassroots and NGO-based perspectives on inclusion, equity, and social protection. Policymaking voices were present through the Belgian Ministry of Social Security, providing a national institutional view, and REIF (Représentation européenne des institutions françaises de sécurité sociale), which reflected the European coordination of national social security systems.

Altogether, the composition of participants in the first foresight workshop offered a comprehensive and complementary set of viewpoints, spanning theoretical, empirical, and practical dimensions. This broad stakeholder base ensured that the foresight process was not only informed by high-level expertise but also grounded in the realities and interests of those directly engaged in shaping, implementing, or being affected by social and labour policy in Europe.

Invitations to **the second foresight workshop** were extended to invitees and participants of the first workshop as well as WeLaR's wider list of stakeholder contacts. Participation in both workshops was not considered necessary, and indeed would not have been feasible as several previous participants and invitees had other commitments. Hence, the team of ZSI, HIVA- KU Leuven and OSE in a round of exchanges considered other contacts of their respective institutes among academics and stakeholders, again, aiming for a good balance of functions and institutions represented. With the workshop's location in Vienna regional proximity played a part, and the team managed to invite participants based in Vienna as well as nearby Eastern Europe.

Eventually, representatives of the European Commission*, the European Labour Authority, and the European Institute for Gender Equality* represented European policy, the Austrian Ministry of Labour, Social Affairs, Health, Care and Consumer Protection* the national level, the Austrian Chamber of Labour* and Belgian union ACV represented the labour side, Business Europe* spoke for employers, French social security body REIF for social insurances, AGE Platform* and the European Green Foundation covered European NGOs. Among academic and research institutions and think-tanks, CEPS, Hungarian TARKI, Slovenian University of Maribor, Central European University, University of Vienna, wiiw, and the European Centre for Social Welfare Policy and Research were represented.

The asterisk designates those participants who also contributed to the panel, where both European and national policymakers, the labour and the employer side, and representatives of civil society spoke. In sum, in both workshops and the panel discussion we achieved a good, slightly different balance which brought varied institutional levels and outlooks together and allowed for lively discussion across domains and disciplines.

The panellists were selected given their roles of policymakers and stakeholders working in areas relevant to draft OSE report.

2.4. DELPHI-LIKE SURVEYS

The Delphi-like method used in the WeLaR foresight process is a structured approach to gathering expert judgement in contexts of high complexity and uncertainty.[10] It typically involves multiple rounds of anonymous questionnaires, with controlled feedback that allows participants to reflect on and, if needed, revise their responses in light of others' views. In our case, the method is described as *Delphi-like* because it included only one round of online consultation per phase, without an explicit effort to build consensus among participants. However, the results of the first Delphi-like round were not treated in isolation: they were discussed and further elaborated during the second foresight workshop, ensuring that expert feedback was meaningfully integrated into the next stage of the process. The two rounds thus served distinct but connected purposes, contributing both to the validation of scenarios and the development of policy recommendations.

2.4.1. DELPHI-LIKE SURVEY ROUND 1

The first round of the Delphi-like study took place online over a two-week period in February 2025, following the first foresight workshop. It was designed as a single-round expert consultation to gather structured insights from a wide range of stakeholders on the key uncertainties, challenges, and drivers shaping the future of work, welfare, and social protection in Europe. The questionnaire was informed by the discussions and outputs of the first foresight workshop, focusing on a selection of critical themes such as digital and green transitions, demographic trends, labour market polarisation, income insecurity, access to social protection, and the future of collective bargaining. Respondents were asked to evaluate the plausibility, coherence, desirability and expected impact of a range of hypothetical developments. In addition to scaled response formats, the survey included open-ended questions to allow for more detailed qualitative input, capturing the reasoning and assumptions behind expert judgments. The combination of quantitative and qualitative responses aimed to provide both comparative structure and depth of interpretation.

The study achieved a strong level of participation, with 72 experts completing the questionnaire. The respondent group reflected a balanced and interdisciplinary selection of actors from across Europe, bringing together views from public institutions, research, trade unions, employer organisations, and civil society. Participants included representatives from the Belgian Ministry of Social Security, REIF, BusinessEurope, SMEunited, SGI Europe, and UNI Global Union, as well as international organisations such as the OECD and the European Commission (DG EMPL, DG CLIMA). Trade union voices came from ACV, ETUC, EPSU, and IndustriAll, while civil society was represented by platforms such as SOLIDAR, the European Anti-Poverty Network (EAPN), Age Platform, EIGE, and the European Disability Forum. Academic input came from institutions including KU Leuven, VUB, CEPS, Sciences Po Paris, University of Lausanne, the Swedish Institute for Social Research, Central European University, and the European Centre for Social Welfare Policy and Research. Contributions also came from national and regional administrations, such as the Austrian Ministry of Work and the Economy, the Vienna State Parliament, and the City of Vienna. The results first round of the Delphi-like study were synthesised into key themes and tensions, which fed directly into the scenario-building process. These insights served as a critical input for the second foresight workshop, where participants worked collaboratively to validate and refine the foresight scenarios based on the diverse perspectives collected through the Delphi-like survey.

10 The full questionnaires used in the two survey rounds can be found in Annex A5 and Annex A6.

The results of the first Delphi-like study were systematically integrated into the scenario development process for the second foresight workshop, serving as a critical evidence base to validate, refine, and expand the preliminary scenario narratives constructed after the first workshop. By highlighting areas of expert consensus and divergence on key drivers such as technological change, social inequalities, climate policy, and institutional adaptation, the Delphi-like findings helped anchor the scenarios in a broader set of perspectives beyond the original workshop participants. The diversity of responses provided insight into the perceived plausibility and impact of various future developments, which in turn informed the calibration of scenario axes, the identification of potential tipping points, and the articulation of plausible pathways. This integration ensured that the scenario framework used in the second foresight workshop was both analytically robust and reflective of a wide range of stakeholder perspectives.

2.4.2. DELPHI-LIKE SURVEY ROUND 2

The second round of the WeLaR Delphi-like survey, conducted online between end of June and end of August 2025, focused on expert evaluation of policy recommendations designed for four distinct 2040 foresight scenarios. These scenarios, built on different combinations of technological change, climate policy stringency, and levels of global cooperation, were first co-created during the first foresight workshop and refined in subsequent stages. The second Delphi-like survey invited respondents to assess two types of policy proposals per scenario—one targeting the labour market, and one focused on welfare systems, developed during the second foresight workshop. The results are based on 26 fully completed surveys. Experts were asked to evaluate the relevance, feasibility, and potential societal impact (in terms of inclusion, resilience, and social cohesion) of each policy package. Additionally, respondents identified gaps or missing elements and were invited to suggest complementary or corrective actions.

The questionnaire also included a dedicated section for assessing cross-cutting policy proposals that had emerged during the first Delphi-like round and the second foresight workshop discussions. These included ideas such as expanding access to green jobs without requiring high levels of education, aligning social protection systems with climate goals, enhancing SME support and vocational training, promoting inclusive taxation, and strengthening universal access to social services. Respondents indicated which scenario(s) these additional policies would best fit, allowing for a more dynamic, layered approach to scenario-specific policymaking. This round of the Delphi-like survey not only provided structured expert validation of previously co-developed recommendations, but also enriched the foresight process by identifying broader systemic levers for long-term transformation.

3. Results

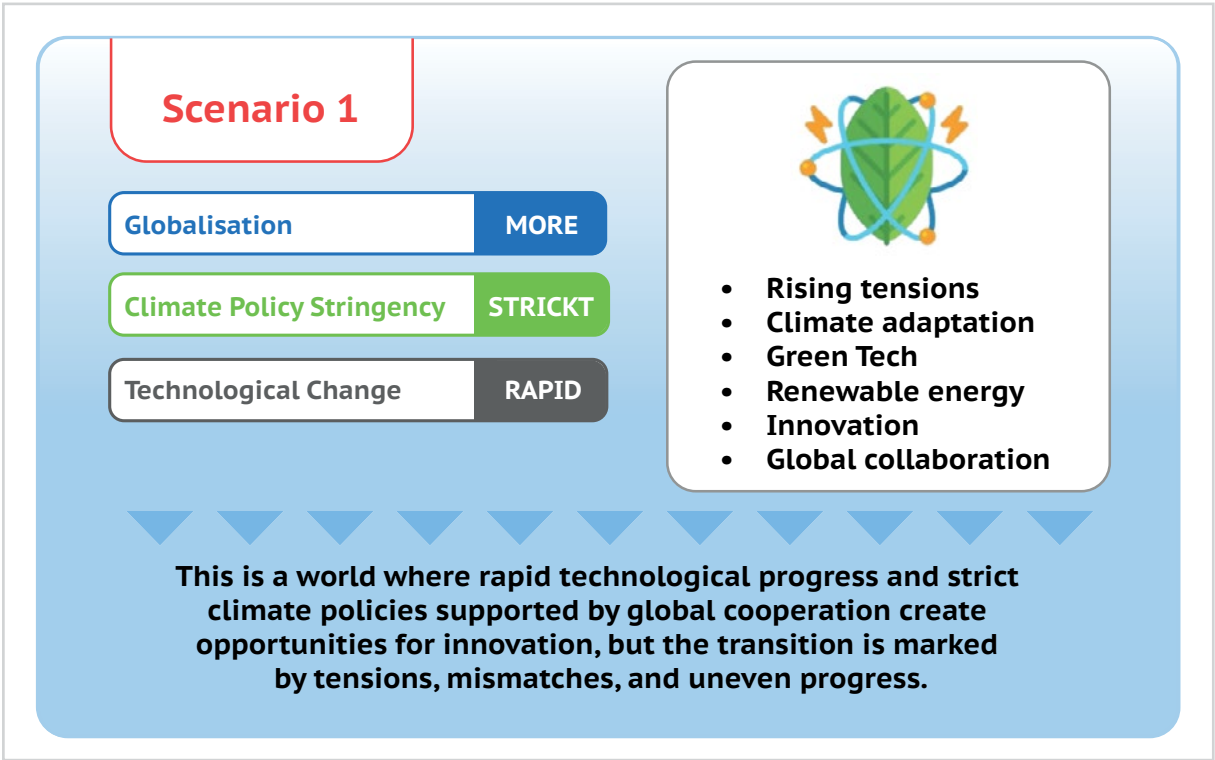
Before presenting the main results from the two workshops and Delphi-like surveys, it is important to recall the context in which it occurred. Considering the axes of the scenario matrix, it should be noted that both "technological change" and "policy coordination and ambition" were subjects of massive concern in both public debate and policy during the time of the Foresight exercise, that is, from autumn 2024 to summer 2025: advances in AI in combination with crises in many manufacturing sectors central to European economies suggested disruptive changes, and the election of Donald Trump as US president in November 2025 and general elections in Austria, Germany, Romania and Croatia brought increased votes for far-right parties. All of this contributed to a sense that "megatrends" might be more volatile and the basic assumptions on institutions and policies shakier than at the time when the foresight exercise was designed.

3.1. FIRST FORESIGHT WORKSHOP - SCENARIOS FOR THE FUTURE

3.1.1. DESCRIPTION OF EACH SCENARIO: 4 CONTRASTING FUTURES

→ SCENARIO 1: The structured transformation

Figure 3. Scenario 1 characteristics as presented to participants



Drawing on participants' discussions and the completed scenario template, the Structured Transformation[11] scenario envisions a future in which the European Union successfully navigates the profound disruptions posed by rapid technological change and climate imperatives through proactive, coordinated governance. Policymakers anticipate emerging risks and opportunities, re-

11 Finding a name for each scenario was part of the assignment of the participants.

sponding with bold, integrated strategies that align innovation, social protection, and sustainability. A shared commitment to long-term planning and collective action enables the EU to become a global leader in clean energy, ethical AI development, and inclusive social models.

While this future is ambitious and largely positive, its realisation demands high levels of cooperation, resource mobilisation, and consistent political will across diverse national and regional contexts. Positive outcomes are only possible because transitions are anticipated early and met with complementary social and economic measures.

Labour market characteristics

The labour market in this scenario is shaped by a complex interplay of disruption and opportunity. Technological advancements—particularly in AI and automation—result in a significant decline in low-skilled, routine occupations, especially in traditional manufacturing and service sectors. However, this displacement is counterbalanced by the growth of new roles that are creativity-driven, human-centred, and knowledge-intensive, often offering greater flexibility, autonomy, and improved working conditions.

Under this scenario, the EU's labour markets become more dynamic, but also more demanding. To mitigate the negative consequences of automation, governments and institutions introduce comprehensive transition mechanisms, including universal basic income trials, minimum income schemes, large-scale reskilling efforts, and lifelong learning programmes. These policies help displaced workers adapt and move into emerging sectors, particularly in green industries and the digital economy.

Nevertheless, regional inequalities remain a persistent challenge. Wealthier regions, with stronger innovation ecosystems and digital infrastructure, adapt quickly and reap the benefits of change. In contrast, less-developed areas face brain drain, lower investment, and slower adoption of new technologies, leading to uneven employment prospects and productivity.

Welfare state responses and challenges

Welfare systems undergo a technologically driven transformation, becoming more agile, efficient, and responsive. Artificial intelligence and data analytics are widely adopted to streamline administrative processes, enhance targeting, and reduce operational costs. This modernisation strengthens the capacity of welfare institutions to deliver tailored support in real time, improving the quality and equity of public services.

Redistribution becomes increasingly dynamic and multi-level. EU cohesion funds, national schemes, and local interventions are coordinated to reduce poverty pockets and address regional inequalities. Programmes like "Fair Transition" support economic revitalisation in communities most affected by the structural shifts in employment.

However, the growing demand for social protection—driven by automation, ageing populations, and climate adaptation—places significant strain on public finances. While the system's sustainability is largely upheld through technological efficiencies and better resource management, variation in political will and fiscal capacity across member states presents recurring challenges to policy coherence and uniform implementation.

Social, economic, cultural, and ethical implications

This scenario fosters a shift in social and cultural values toward sustainability, equity, and innovation. Education systems are overhauled to emphasise environmental literacy, digital proficiency, and adaptability, enabling citizens to thrive in a rapidly evolving landscape. Lifelong learning becomes a societal norm, and public campaigns close digital literacy gaps in underserved regions.

Economically, the EU maintains global competitiveness, driven by clean energy leadership and ethical technological governance. However, persistent disparities between high-performing and lagging regions fuel tensions around investment, inclusion, and mobility. Despite strong social programmes, inequalities do not disappear, and efforts to achieve balanced growth remain a central policy concern.

From an ethical standpoint, responsible AI development is a cornerstone of this scenario. Regulations ensure transparency, algorithmic fairness, and the protection of fundamental rights. This helps maintain public trust in digital tools and ensures that technological progress is aligned with European democratic values.

Socially, the improved quality of work—paired with robust social protection—enhances wellbeing and work-life balance. But maintaining these gains requires ongoing vigilance, particularly in managing regional divides, generational expectations, and demographic pressures.

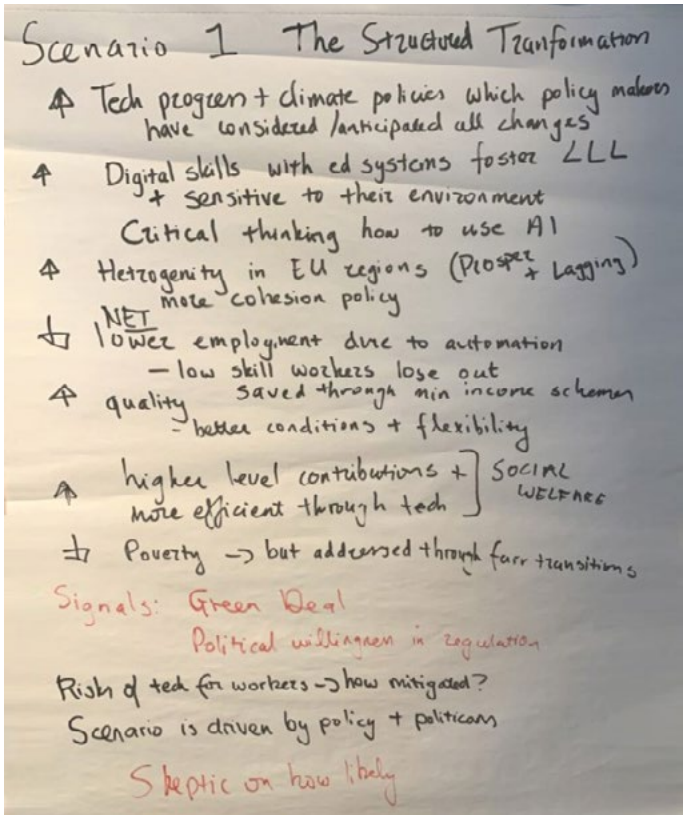
Likelihood and feasibility

Although this scenario presents an attractive and coherent vision, its realisation is far from assured. Success will hinge on sustained political leadership, intergovernmental cooperation, long-term investment, and the alignment of multiple policy domains—climate, labour, education, innovation, and welfare. At the same time, attention must be given to potential downsides, such as widening disparities between high-performing regions and those at risk of falling further behind.

There are promising signals that this pathway is already partially unfolding. These include the European Green Deal, growing regulatory attention to AI ethics, and the use of EU cohesion funds to address territorial inequalities. The expansion of green skills initiatives and digital education programmes also reflect a growing awareness of the future challenges.

Nonetheless, achieving this vision will require continued momentum. Rated as desirable by workshop's participants, complexities in aligning member state priorities, ensuring funding, and coordinating across governance levels may hinder progress in this scenario. If such barriers are not addressed, the scenario could falter under the weight of its own ambition.

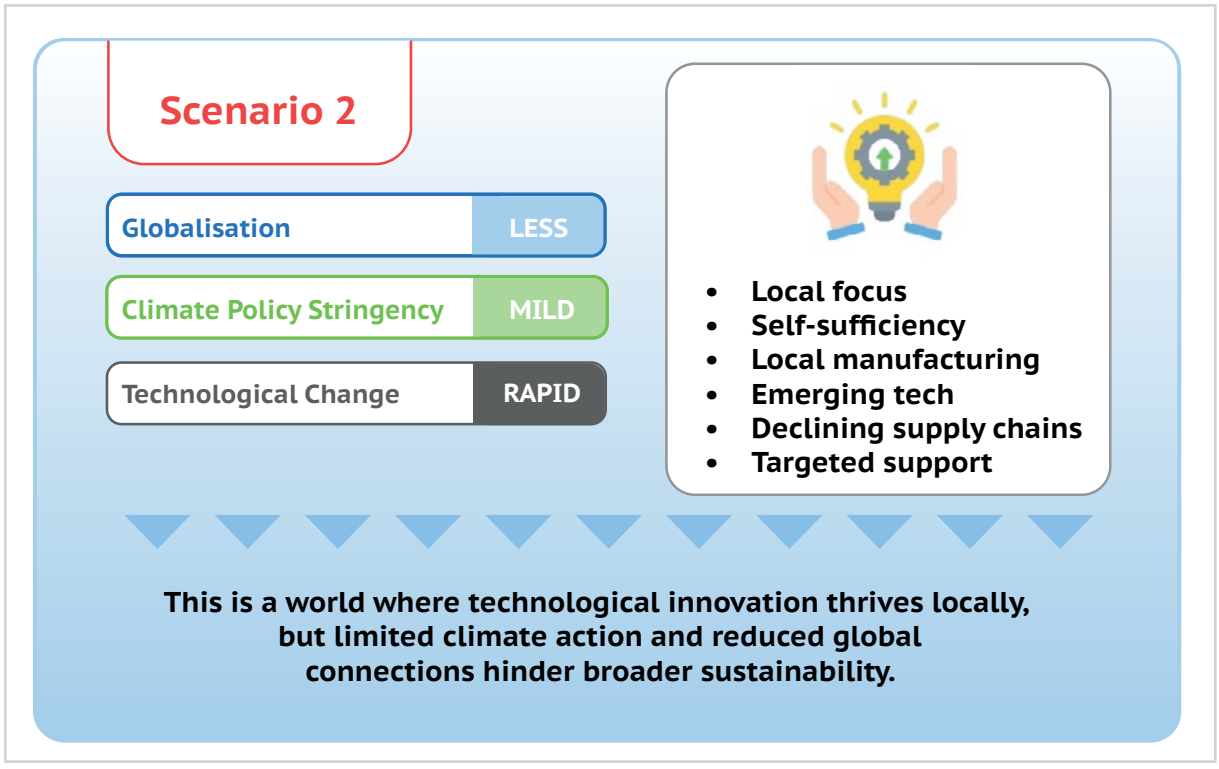
The Structured Transformation scenario represents a realistic but challenging blueprint for a future in which technological disruption and environmental challenges are not only managed but harnessed for inclusive progress. Its core strength lies in anticipating change and embedding resilience into institutions, markets, and communities. If Europe can sustain political cohesion, invest in smart transitions, and uphold a shared vision of equity and sustainability, this future remains plausible.



Note: Notes taken during the presentation of the results.

→ SCENARIO 2: The not so good scenario

Figure 4. Scenario 2 characteristics as presented to participants



Drawing on participants' discussions and the completed scenario template,[12] the Not-So-Good Scenario envisions a world where technological advancement accelerates rapidly but unevenly, climate policies remain modest and largely uncoordinated, and global cooperation continues to decline. Fragmentation defines this future—within societies, between regions, and across nations. While some actors benefit from disruptive innovation, many others are left behind, exacerbating existing inequalities and introducing new vulnerabilities. Socio-economic and territorial disparities deepen, trust in institutions erodes, and the absence of shared governance frameworks leads to growing instability.

Despite its name, this scenario does not depict total collapse or dystopia. It is a technologically advanced but socially unstable world, where the benefits of progress are captured by a few and the burdens of change are borne by many. The EU, once a champion of cohesion and shared prosperity, struggles to maintain unity as member states pursue divergent strategies, national interests prevail, and the collective capacity to respond to global challenges diminishes.

Labour market characteristics

Labour markets under this scenario are characterised by deepening polarisation, stagnating employment levels, and regional imbalance. Technological innovation, particularly in AI and automation, proceeds at a rapid pace—but adoption is driven by competition rather than cooperation, and access is highly uneven. As a result, job creation in high-tech sectors is limited to elite urban centres and highly educated populations, while low-skilled jobs are either fully automated or transformed into low-pay, precarious work in the informal or platform economy.

The quality of work declines for many. Psychosocial stress, reduced autonomy, and algorithmic management become widespread, eroding job satisfaction and workplace stability. While some hazardous jobs are eliminated through automation, the overall effect is one of fragmentation. Middle-skill jobs disappear, polarising the workforce between high-income digital specialists and underprotected, marginalised workers.

Geographical divides widen as labour opportunities concentrate in well-connected, resource-rich urban areas, while rural and economically disadvantaged regions see shrinking employment prospects. These regional gaps are compounded by the shrinking middle class and the erosion of traditional industries.

Welfare state responses and challenges

The welfare state faces a crisis of sustainability and legitimacy. As automation reduces the taxable labour base and economic insecurity grows, public revenues contract, and welfare systems become more selective, conditional, and fragmented. Social transfers no longer reflect universal solidarity but are instead directed toward those who are already economically integrated or politically favoured.

Technological tools are integrated into welfare administration, but rather than increasing efficiency and equity, they often introduce new risks and systemic biases. AI-driven decision-making lacks transparency and adaptability, leading to administrative errors, discriminatory practices, and ex-

12 More information on the design of the first foresight workshop, see Section 2.2.1.

clusion from support. Vulnerable groups—including migrants, women, and non-EU nationals—are disproportionately affected.

Attempts to reform welfare systems are met with limited success. Proposals such as "robot taxes" or AI accountability mechanisms face political resistance and uneven implementation across member states. In many regions, public trust in the welfare state erodes, while private actors and local initiatives attempt to fill the growing gaps—often with highly unequal outcomes.

Social, economic, cultural, and ethical implications

The scenario magnifies existing economic inequalities and cultural divides. Wealth, innovation, and power are concentrated in the hands of a small elite, while large segments of the population face declining living standards and restricted opportunities. The benefits of technological progress are captured by few, fuelling resentment and social unrest.

Education and training systems are unable to keep pace with the speed of technological change. Public education becomes underfunded and slow to reform, while access to high-quality, tech-oriented training is increasingly dominated by private providers, reinforcing socio-economic privilege. Skills mismatches are widespread, and lifelong learning remains an aspiration rather than a reality—particularly for disadvantaged groups who face financial, digital, and infrastructural barriers.

Culturally, fragmentation replaces cohesion. National and regional identities grow stronger, but often at the expense of inclusive social values. The privatisation of public services—from education to healthcare—entrenches inequalities and limits the social mobility of marginalised populations. Ethical concerns multiply as AI and surveillance technologies are adopted without robust regulatory safeguards, threatening privacy, autonomy, and democratic accountability.

Within the EU, solidarity weakens. North-South and urban-rural divides grow sharper. Member states pursue divergent strategies on technology, education, and climate, further undermining the bloc's ability to act collectively.

Likelihood and feasibility

This scenario is not the most optimistic, but it is worryingly plausible. Many of its key features already appear in current trends:

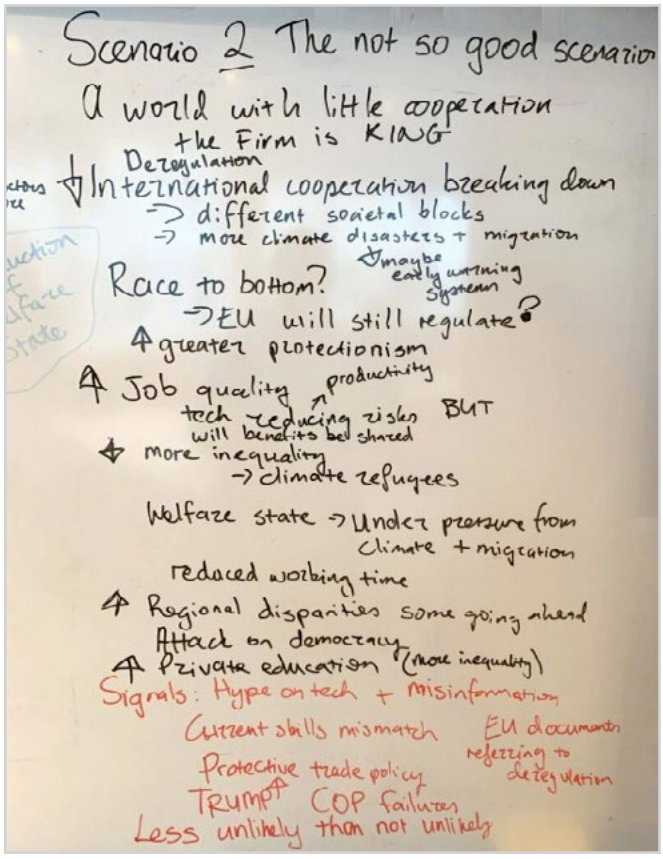
- technological competition between global powers is accelerating;
- fragmented climate action persists despite the urgency of the crisis;
- skills mismatches and uneven access to digital tools are growing;
- nationalist and protectionist politics are on the rise, weakening international collaboration.

Failures in international cooperation, such as ineffective COP outcomes and limited progress on ethical AI regulation, suggest a drift toward unilateralism and disjointed governance. Within the EU, debates around strategic autonomy, deregulation, and fiscal constraints point to the tensions that could lead to a fragmented response to shared challenges.

Although avoidable, this scenario could become reality if political and institutional inertia prevails, and if governments fail to ensure that technological and environmental transitions are managed inclusively and equitably.

The Not-So-Good Scenario represents a technologically advanced but socially regressive future, shaped by fragmentation, exclusion, and weakened governance. It highlights the risks of allowing innovation to proceed without safeguards, redistribution, or shared vision. While progress may occur in some sectors and regions, the overall effect is to deepen inequality, strain public institutions, and erode social cohesion.

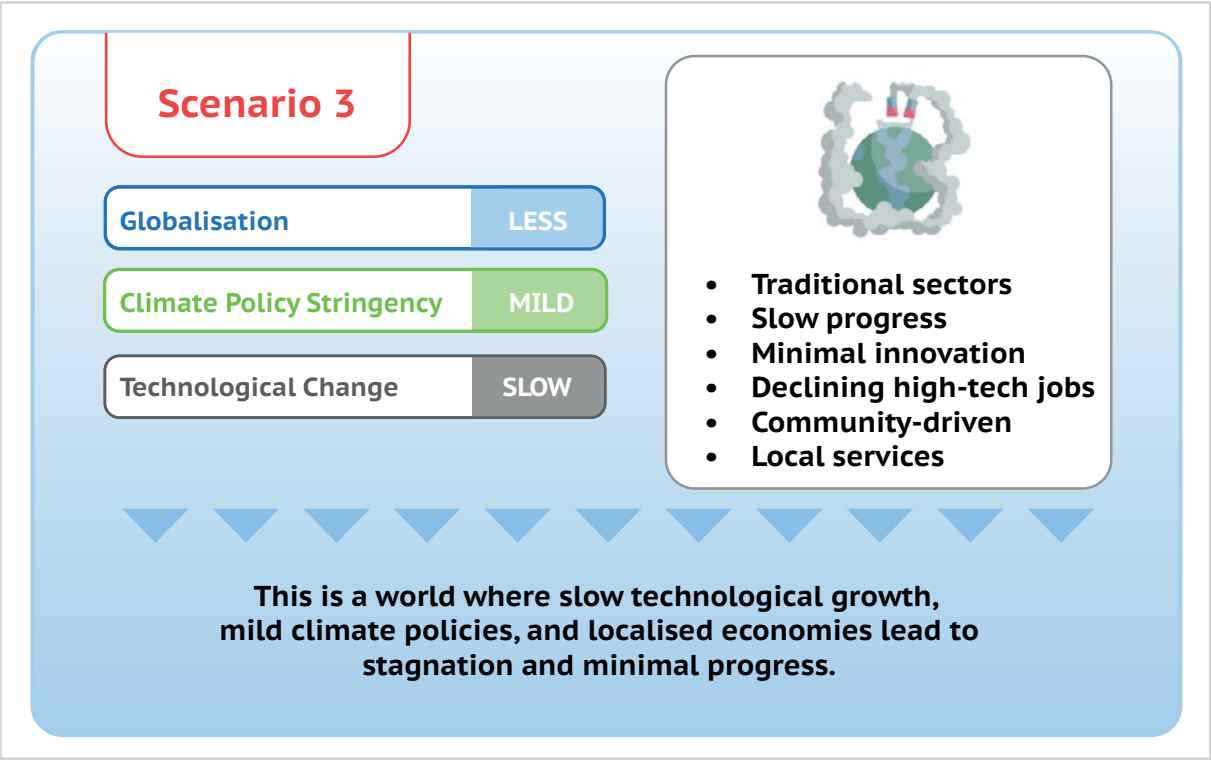
Avoiding this outcome will require bold public investment, meaningful cross-border cooperation, and robust democratic governance that places inclusion, fairness, and sustainability at the centre of technological and environmental change. Without these, the EU risks locking itself into a future defined by division and discontent.



Note: Notes taken during the presentation of the results.

→ SCENARIO 3: Good old stagnant Europe

Figure 5. Scenario 3 characteristics as presented to participants



The Good Old Stagnant Europe scenario envisions a future in which the European Union experiences a sustained period of economic, technological, and political inertia. Technological progress slows considerably, climate action remains limited and reactive, and policy coordination across the Union weakens. While short-term stability is preserved through the maintenance of traditional sectors and decentralised governance, this comes at the cost of innovation, competitiveness, and social cohesion.

The EU's former leadership in setting global social and environmental standards declines. Strategic autonomy is eroded as the bloc becomes increasingly dependent on imports for advanced technologies, raw materials, and energy. Socio-economic structures remain largely unchanged, and a growing mismatch between citizens' qualifications and economic opportunities begins to undermine long-term prosperity.

Labour market characteristics

Labour markets in this scenario are defined by rigidity, stagnation, and fragmentation. The dominance of traditional industries preserves certain types of employment, especially in sectors like construction, fossil fuel-related manufacturing, and logistics. However, this preservationist model limits the emergence of new job opportunities and inhibits economic dynamism.

The lack of technological advancement leads to overskilling, as many workers are overqualified for the roles available. Ambitious, educated workers find themselves underemployed or deskilled, contributing to frustration and declining motivation to invest in further training. This mismatch between skills and job demand drains productivity and diminishes labour market adaptability.

In parallel, brain drain intensifies as highly skilled individuals seek more innovative and competitive environments abroad. This outflow of talent deepens the EU's innovation gap. At the same time, non-EU nationals often occupy low-wage and informal roles, with weak enforcement of labour protections leading to exploitation and deteriorating working conditions.

Employment becomes increasingly localised and stratified. Urban regions fare moderately better due to stronger infrastructure and networks, while rural and peripheral areas face labour market stagnation and demographic decline. Trade unions may regain local relevance in some sectors, advocating for better conditions, but their influence remains fragmented and uneven.

Welfare state responses and challenges

In this scenario, welfare states experience progressive weakening, with responsibilities for social protection increasingly devolved to local actors, families, and employers. As public funding for welfare contracts, centralised services erode, resulting in fragmented and paternalistic systems of care.

In many cases, this shift is framed as a return to community solidarity, but in practice it leads to unequal outcomes and diminished agency for beneficiaries. Access to essential services such as healthcare, housing, and unemployment support becomes conditional on local capacity, personal networks, or employer goodwill. This creates regional disparities in the quality and availability of social protection.

Women disproportionately bear the burden of care responsibilities within families and communities, reinforcing traditional gender roles. Employers and volunteers increasingly step into roles once held by public services, creating informal and often precarious forms of welfare delivery.

The loss of universal, rights-based welfare systems contributes to the erosion of social mobility and exacerbates inequalities, especially for migrants, low-income households, and marginalised communities.

Social, economic, cultural, and ethical implications

This scenario fosters a Europe that is stable on the surface but fraying beneath, as structural problems accumulate. Economically, the EU becomes less competitive, its industries increasingly outdated, and its global bargaining power diminished. Technological backwardness and reliance on imports for critical goods and services reduce strategic autonomy.

Socially, the erosion of public welfare and educational systems undermines equality of opportunity. Investment in education declines as the perceived returns diminish. Lifelong learning remains underdeveloped, and education loses its function as a driver of social mobility. As technological progress slows, skills cease to be a pathway to better jobs, deepening frustration among younger generations.

Culturally, this scenario reinforces localism and traditionalism. While some communities foster strong local ties and solidarity, the withdrawal of state structures leads to a normalisation of dependency, exclusion, and paternalism. In certain areas, social capital and voluntarism compensate for weak public systems, but in others, the absence of infrastructure leads to neglect and marginalisation.

Ethically, the move away from universalism toward conditional and unequal systems of support raises concerns about fairness, dignity, and justice. The erosion of shared European values of solidarity and inclusion weakens the EU's internal cohesion and its moral standing globally.

Environmentally, weak climate action and slow technological adoption result in deteriorating air and water quality, contributing to public health crises and declining life expectancy in some areas. Pollution increases, and adaptation to climate change remains piecemeal and reactive, rather than transformative.

Likelihood and feasibility

This scenario is plausible and increasingly relevant, especially in the context of current signals such as:

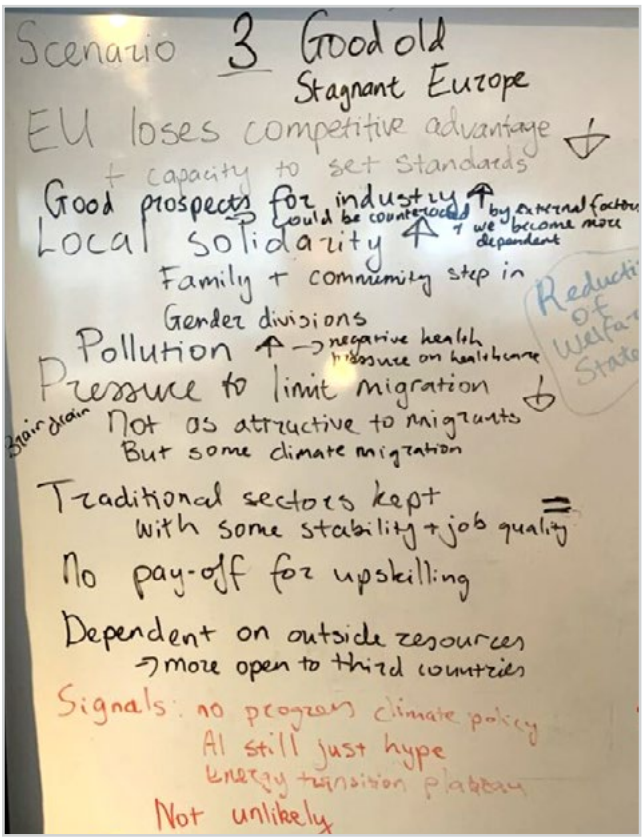
- slow progress on climate targets and energy independence;
- limited, uneven adoption of AI and green technologies;
- increasing reliance on traditional industries and fossil fuels;
- rising policy fragmentation within the EU;
- popularity of short-term economic protection over long-term investment.

In the short term, this scenario offers the comfort of stability. It avoids the upheaval of disruptive innovation and appeals to regions and governments that prefer incrementalism or fear the social costs of ambitious reform. However, over time, this approach proves unsustainable. The long-term risks of decline, inequality, and global irrelevance far outweigh any short-term gains.

Without strategic re-investment in innovation, coordinated policy planning, and the revitalisation of EU-wide solidarity mechanisms, the bloc risks entering a prolonged phase of stagnation, dependency, and internal fragmentation.

The Good Old Stagnant Europe scenario represents a cautious and inward-looking future, where the EU sacrifices long-term innovation and competitiveness for the preservation of familiar systems and short-term economic comfort. Though this approach may protect some regions from immediate disruption, it ultimately undermines the foundations of the European project.

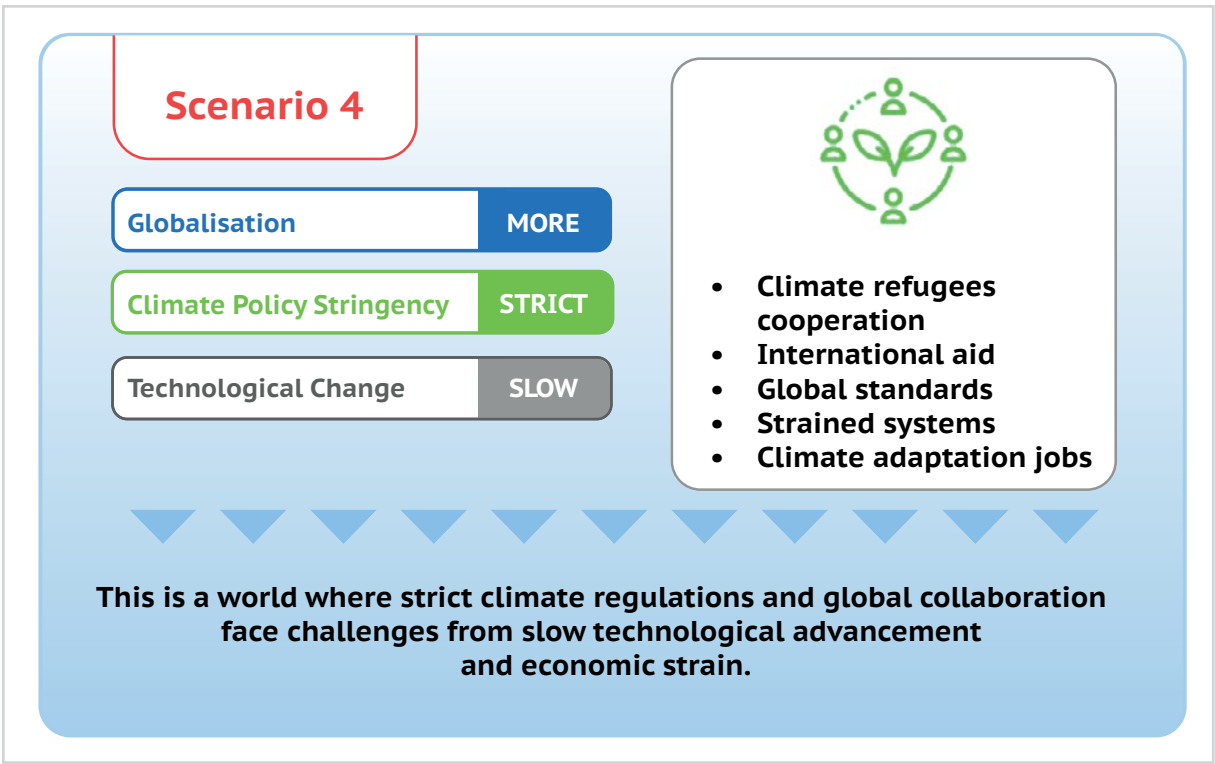
Avoiding this path will require ambitious climate action, renewed investment in education and skills, revitalised welfare systems, and above all, a political vision that transcends localism and short-termism. Without these, the EU risks becoming increasingly marginal on the world stage—stable, but stuck.



Note: Notes taken during the presentation of the results.

→ SCENARIO 4: The downsizing scenario

Figure 6. Scenario 4 characteristics



Due to last-minute cancellations by some participants, the organisers opted to maintain groups of four participants each, rather than forming smaller discussion groups. To ensure broad engagement, all participants were asked to vote on the scenario they preferred not to work on. As a result, Scenario 4 was selected for exclusion. This scenario was subsequently developed after the workshop by the research teams, drawing on the broader WeLaR project insights and the indicators identified during the workshop.

The Downsizing Scenario imagines a future in which the EU maintains a strong commitment to ambitious climate goals and global cooperation, but its ability to deliver on this vision is hampered by slow technological progress, constrained public finances, and limited productivity growth. Although sustainability remains a priority at the political level, the tools and systems required to support an equitable and efficient green transition remain underdeveloped or inaccessible.

As a result, the burden of the transition is unevenly distributed across regions, sectors, and social groups. Industries are pressured to adapt to strict environmental regulations without the support of transformative innovation. Public institutions are tasked with managing complex and competing demands—from job losses and climate-induced migration to reskilling needs and infrastructure investment—without the financial or technological capacity to respond effectively. This leads to a future marked by tensions between climate ambition and economic reality.

Labour market characteristics

The labour market under this scenario reflects a disconnect between climate policy goals and labour market readiness. Decarbonisation policies demand rapid structural changes in key sectors such as energy, transport, agriculture, and manufacturing. However, due to slow digitalisation and underwhelming innovation, these changes lead to significant job losses in carbon-intensive industries, while the emergence of new green jobs fails to occur at the necessary scale or pace.

Labour markets become increasingly fragmented. High-skilled, sustainability-focused roles—such as those in renewable energy, environmental consulting, or green finance—tend to cluster in wealthier regions with the infrastructure to support innovation and retraining. Meanwhile, economically weaker areas suffer from stagnant employment opportunities, deepening regional inequalities and undermining cohesion within and between member states.

Transition periods grow longer, particularly for workers in declining industries who struggle to access effective retraining or relocation support. The pace of automation remains limited, further slowing productivity growth and dampening labour market dynamism. Many workers, particularly older or low-skilled individuals, face declining job prospects and greater economic insecurity.

Despite high political commitment to a “just transition,” the labour market transformation remains partial and uneven, leaving significant segments of the population at risk of being left behind.

Welfare state responses and challenges

Welfare systems in this scenario are severely strained by the overlapping demands of climate transition, demographic shifts, and economic stagnation. While governments remain committed to protecting vulnerable populations, the scope and effectiveness of social programmes are increasingly constrained by limited public resources and competing policy priorities.

Significant investment is required for climate mitigation and adaptation infrastructure—such as flood defences, green energy grids, and sustainable housing—which reduces the fiscal space available for welfare and social protection. Efforts to support displaced workers through income support, housing assistance, and retraining programmes are often underfunded or inconsistently implemented across regions.

Without the benefit of digital innovation or automation to enhance service delivery, welfare provision remains bureaucratic and slow, diminishing its impact. Redistribution policies exist, but their effectiveness is limited by outdated administrative systems and regional inequalities in institutional capacity.

An additional pressure arises from climate-induced migration, both within the EU and from neighbouring regions. As populations are displaced by extreme weather events, resource scarcity, or environmental degradation, national welfare systems face increased strain. In politically fragile contexts, this contributes to growing resentment, social polarisation, and debates over entitlement and fairness.

Social, economic, cultural, and ethical implications

At the societal level, the Downsizing Scenario is one of frustrated ambition. Citizens, policymakers, and institutions share a vision of a green and equitable future, but structural limitations prevent full realisation. While climate action retains widespread legitimacy, its social and economic costs are unevenly distributed, generating discontent and scepticism.

Economically, the EU struggles to maintain global competitiveness. In contrast to regions where technological innovation drives sustainable growth and productivity, Europe's reliance on outdated infrastructure and traditional economic models hampers adaptation and innovation. This divergence increases the EU's dependency on imported technologies and external supply chains, weakening its autonomy and global influence.

Culturally, public confidence in the green transition begins to erode. As households experience job loss, rising living costs, and regional decline, trust in public institutions wanes. Social cohesion weakens, particularly in regions where economic revitalisation is slow or absent. The gap between aspiration and lived reality creates a growing tension between generations, regions, and socio-economic groups.

Education and training systems try to adapt by promoting green skills and environmental awareness, but limited investment and weak links to labour market needs undermine their effectiveness. Many individuals question the long-term value of education, especially in areas where career opportunities remain scarce or declining.

Ethically, the scenario raises pressing questions around fairness, distributive justice, and procedural legitimacy. Who bears the cost of the green transition? Who benefits from limited innovation? How are resources, risks, and responsibilities allocated across different parts of society? These unresolved issues drive polarisation and political instability.

Likelihood and feasibility

This scenario reflects a plausible and cautionary trajectory. It is shaped not by the absence of ambition, but by the limits of current capacity and coordination. Many of its dynamics are already visible today:

- ambitious climate targets lacking adequate technological or financial backing;
- uneven regional capacity for adaptation and innovation;
- public fatigue and political polarisation around green policy measures;
- strained welfare systems and sluggish digital transformation in public administration.

The Downsizing Scenario serves as a warning: political will alone is insufficient. Without parallel investment in innovation, digital capacity, and inclusive economic development, even the best-intentioned transitions can exacerbate social inequalities, strain public trust, and deepen institutional fragility.

While this is not an inevitable future, it is increasingly likely if current mismatches between ambition and capacity are not addressed. Avoiding this path requires significant structural reform, stronger cross-regional coordination, and a bold rethinking of how climate, technology, and social policy intersect.

The Downsizing Scenario presents a future where ambition collides with constraint. It is a world committed to sustainability in principle, but limited in practice. The green transition moves forward, but slowly and unevenly, and its social and economic costs fall hardest on those least able to bear them.

For the EU to avoid this outcome, it must bridge the gap between climate ambition and technological capability, ensuring that the green transition is not only ecologically sound, but socially just and economically viable. This will require more than commitment—it will require deep investment, institutional reform, and inclusive planning at every level of governance.

3.1.2. SUMMARIES OF THE SCENARIOS

Table 1. Summaries of the scenarios

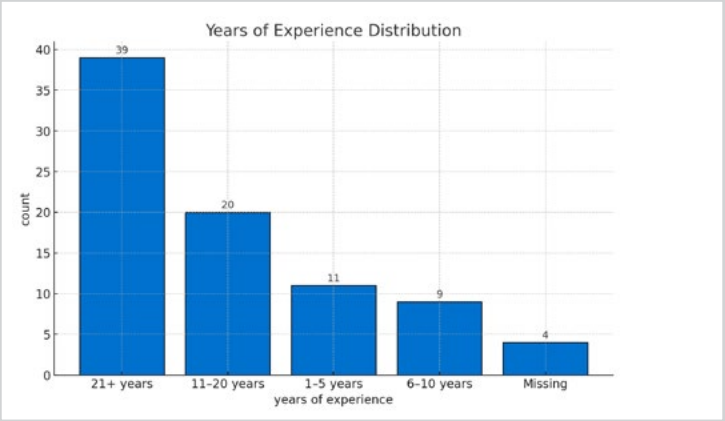
Dimension	Scenario 1: Structured Transformation	Scenario 2: Not-So-Good Scenario	Scenario 3: Good Old Stagnant Europe	Scenario 4: Downsizing
Climate & Tech Policy	High ambition & high capacity – Proactive climate policies supported by rapid innovation and ethical AI regulation.	Low ambition, high capacity – Fast tech progress, but weak, uncoordinated climate action; competition trumps cooperation.	Low ambition, low capacity – Slow tech adoption and mild, reactive climate policies.	High ambition, low capacity – Ambitious goals hindered by sluggish innovation and economic constraints.
Labour Market Dynamics	Job quality improves; new creative and green roles emerge; displacement offset by robust transition measures; regional inequalities persist.	Strong polarisation; elite high-tech jobs and precarious gig work dominate; regional and social divides worsen.	Job preservation in traditional sectors; brain drain and overskilling; economic stagnation; informal, low-paid work persists.	Green regulations cause job losses; limited creation of new roles; long transitions; labour markets struggle to adapt.
Welfare State	AI-driven efficiencies; tailored support; redistribution through EU cohesion; demand grows but remains manageable.	Selective, underfunded, tech-driven systems worsen inequalities; trust erodes; migrants and vulnerable groups most affected.	Fragmented, paternalistic systems; local actors fill gaps; reduced agency and uneven access to services.	Welfare systems overwhelmed by climate costs; redistribution is inefficient; climate migration adds further pressure.
Social & Economic Cohesion	Innovation-driven growth with inclusion efforts; strong education systems; persistent but mitigated disparities.	Rising inequality; privatised education; social unrest; institutional trust declines.	Local solidarity rises, but structural inequalities deepen; diminished EU influence and autonomy.	Widespread frustration due to ambition-capacity gap; trust in transition weakens; inter-regional tensions rise.
Cultural & Ethical Outlook	Sustainability, equity, and digital responsibility are core values; cohesive governance supports rights and fairness.	Ethical risks rise (AI misuse, surveillance); public disillusionment; retreat into identity-based communities.	Traditionalism and localism prevail; erosion of rights-based support; normalisation of exclusion.	Justice concerns over uneven burden-sharing; unclear ownership of transition risks and benefits.
Education & Skills	Lifelong learning is prioritised; curricula aligned with green and digital needs; digital divides addressed.	Private education thrives; public systems lag; lifelong learning inaccessible for many; skill mismatches persist.	Returns on education decline; underinvestment in skills; overskilling widespread; stagnant workforce.	Green skills promoted, but underfunded; education misaligned with labour market; reduced confidence in upskilling.
EU Cohesion & Global Role	EU leads in climate and tech standards; regional investment narrows gaps; political unity is tested but holds.	EU divided by national strategies; North-South tensions grow; diminished international standing.	Fragmentation dominates; EU influence wanes; dependence on global tech powers rises.	Ambitious rhetoric, fragile implementation; external dependence grows; EU credibility at risk.
Likelihood	Desirable but challenging – Requires sustained political will, investment, and coordination.	Plausible and concerning - Reinforced by current trends in inequality, tech competition, and weak governance.	Cautionary and realistic – Appealing for stability but leads to long-term decline.	Highly plausible – Strong ambition but limited capacity already visible in current policy gaps.

3.2. INSIGHTS FROM THE FIRST DELPHI-LIKE SURVEY

The first Delphi-like survey, conducted online between 11 and 28 February 2025, aimed to gather expert insights on the scenarios developed during the project's first workshop. A total of 72 participants completed the survey in full, providing a substantial base of qualitative and quantitative input. The survey played a key role in validating and expanding on the initial scenario work, ensuring that diverse perspectives were considered in refining the project's foresight methodology.

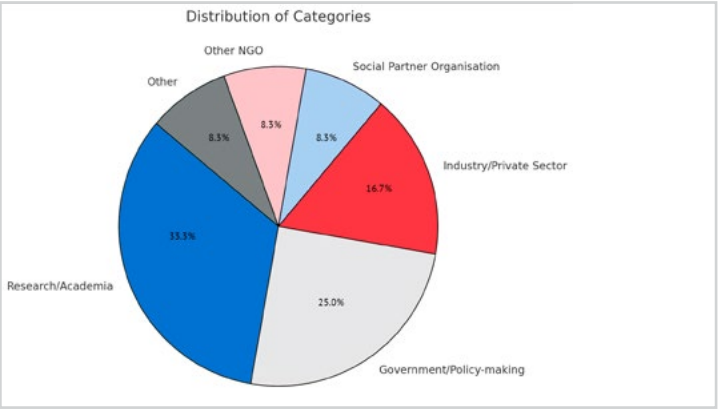
Participants were invited to assess the likelihood of various outcomes, particularly in relation to labour market, welfare, and socio-political developments. They also rated expected social impacts across demographic groups, explored the plausibility of specific assumptions underpinning each scenario, and contributed policy suggestions based on the scenario narratives. This structured consultation process supports a more evidence-informed understanding of Europe's possible futures and helps guide policy discussions aligned with the WeLaR project's goals.

Figure 7. Number of years of experience in the field



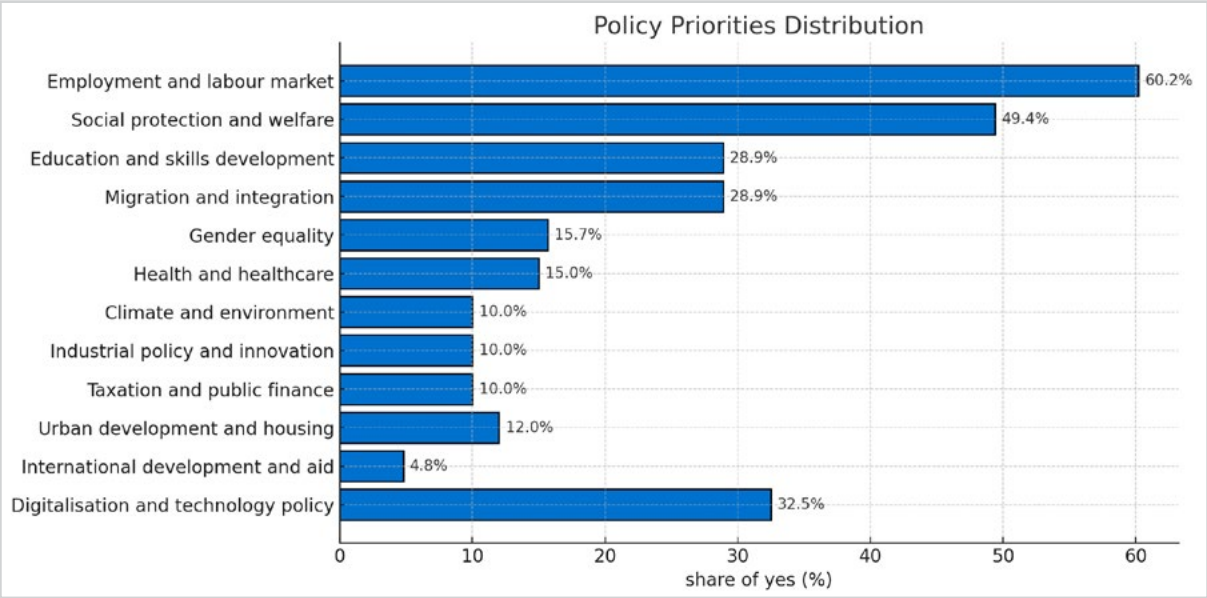
The first Delphi-like survey gathered insights from a diverse group of participants, with the majority having substantial professional experience in the field (see Figure 7). Most respondents—39 out of 72—reported over 21 years of experience, followed by 20 respondents with 11 to 20 years. A smaller number of respondents had 1–5 or 6–10 years of experience, while a few did not specify. This level of seniority suggests that the survey benefitted from the perspectives of highly experienced experts, likely enhancing the credibility and depth of the responses. Additionally, the gender distribution was skewed, with 63% of respondents identifying as men.

Figure 8. Primary institutional affiliation of the survey's respondents



In terms of institutional affiliation (see Figure 8), the largest share of participants (33.3%) came from research and academia, followed by 25% from government or policy-making institutions. The remainder represented a mix of industry/private sector (16.7%), social partners, NGOs, and other sectors. This balanced mix of institutional backgrounds—though weighted toward research and policy—ensured that a variety of perspectives informed the evaluation of scenarios, assumptions, and policy recommendations discussed in the Delphi-like process.

Figure 9. Fields of expertise



Survey participants brought a wide range of expertise to the exercise (see Figure 9), with particularly strong representation in areas central to the WeLaR project's focus. A majority of respondents (60.2%) indicated employment and labour market as one of their core areas of expertise, followed closely by social protection and welfare (49.4%). These are foundational themes for scenario analysis on the future of work and welfare, suggesting that the responses were grounded in relevant and practical knowledge.

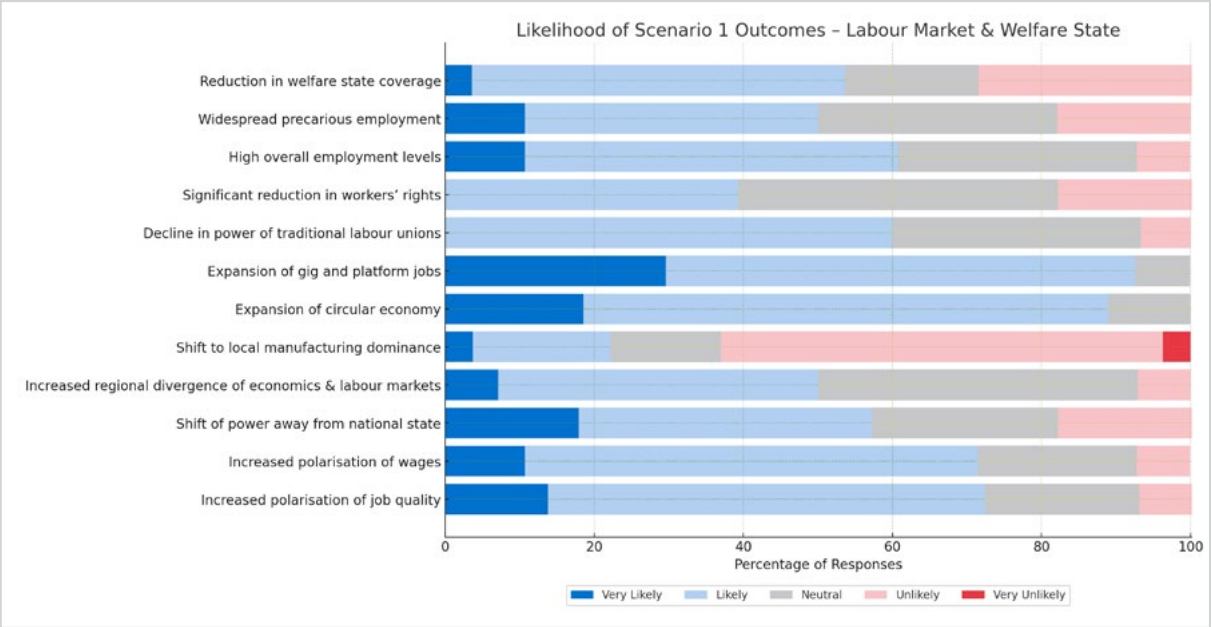
Additional areas of specialisation included digitalisation and technology policy (32.5%), education and skills development (28.9%), and migration and integration (28.9%), highlighting the cross-sectoral nature of expertise involved. Fields like gender equality, healthcare, climate, and industrial policy were also represented, though to a lesser extent. This breadth of perspectives ensured that the scenarios were assessed through multiple lenses—social, economic, technological, and environmental—adding depth and nuance to the findings of the Delphi process.

3.2.1. KEY FINDINGS PER SCENARIO

→ SCENARIO 1

According to the Delphi results, Scenario 1 – Structured Transformation was viewed as the second most plausible future by survey participants, with 46% rating it as likely or very likely. This indicates a moderate level of confidence in the feasibility of a future driven by proactive governance, technological innovation, and robust climate policies. Despite its optimistic framing, experts appear to recognise both the ambition and the complexity involved in implementing such a transformation.

Figure 10. Likelihood of some outcomes for labour market and welfare



A notable majority of respondents viewed "high overall employment levels" and "expansion of the circular economy" as likely or very likely (see Figure 10). These results suggest that experts see strong potential for this scenario to create new types of employment aligned with sustainability objectives and to maintain labour market participation, even in the face of disruptive transitions. The confidence in the circular economy also implies support for policies that prioritise recycling, reuse, and localised value chains as viable alternatives to traditional models of industrial growth.

Similarly, "reduction in welfare state coverage" and "significant reduction in workers' rights" were seen as unlikely by the majority of respondents. This aligns with the overall positive framing of the scenario, suggesting that experts believe robust welfare provision and labour protections would remain intact—or even be strengthened—under a proactive, policy-driven green and digital transition.

Several variables were met with more ambivalent or divided views, particularly those involving distributional outcomes and power structures. For example, "increased regional divergence of economics and labour markets" received a mixed response. While many found this outcome neutral or likely, a significant number also considered it unlikely. This split suggests a tension between the scenario's ambition to promote cohesion and the realistic challenges of addressing deep-rooted regional inequalities in investment, infrastructure, and skills.

The "shift of power away from the national state", and the "decline in the power of traditional labour unions", were also rated with a high share of neutral responses. This could reflect uncertainty about how the roles of governance and social partners might evolve in a future shaped by decentralised innovation, platform work, and EU-level policy leadership. There may also be differing views on whether these shifts would represent progress or loss.

While Scenario 1 is generally optimistic, experts still see a risk of uneven benefits. For instance, "increased polarisation of wages" and "increased polarisation of job quality" were not considered highly likely, but neither were they dismissed outright. A considerable share of respondents saw them as neutral or even somewhat likely, suggesting concerns about labour market dualisation—

where highly skilled, flexible jobs coexist with a persistent layer of lower-quality, less secure employment.

A similar ambivalence applies to the "expansion of gig and platform jobs", which drew a wide distribution of responses. While gig work is typically associated with Scenarios 2 or 3, its presence here reflects the possibility that even in a proactive future, non-traditional employment forms may persist or expand, depending on how well regulated they are and whether social protections can be extended to these models.

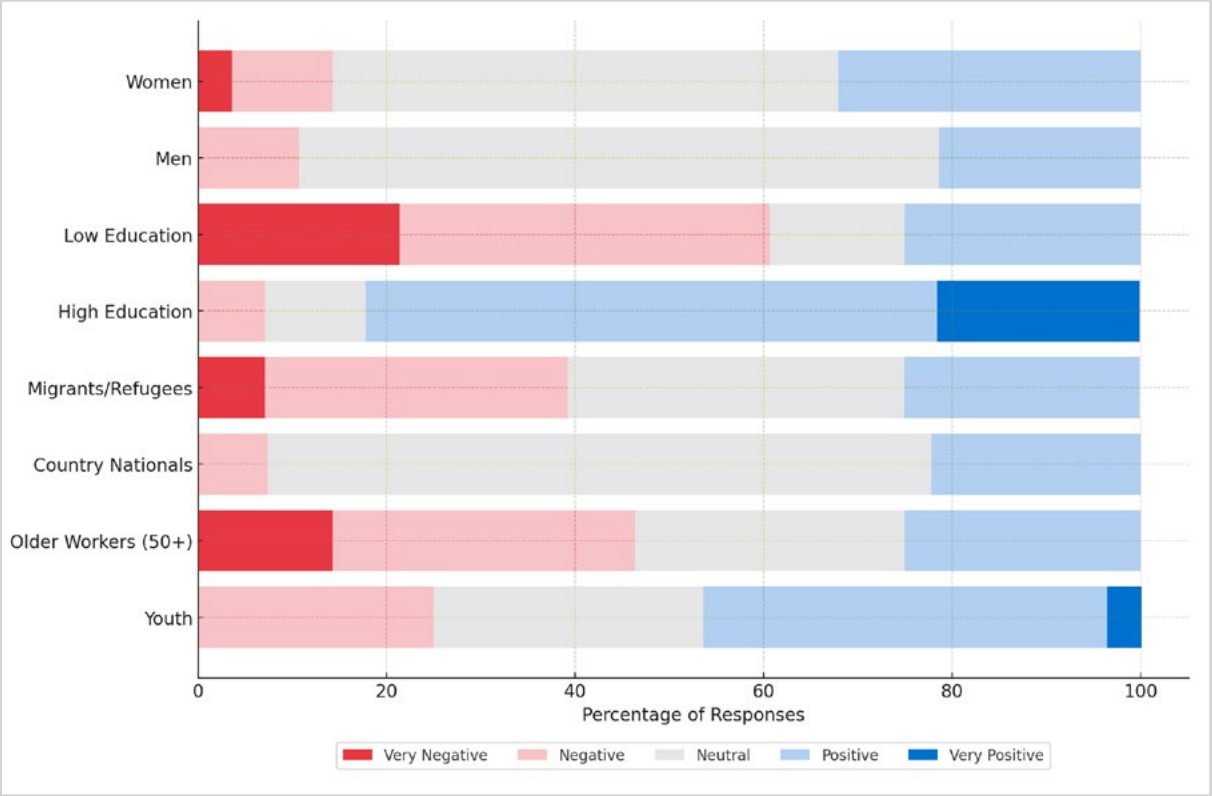
The outcome considered least likely was a "shift to local manufacturing dominance", with a notable proportion of participants rating it as very unlikely. This suggests that despite the scenario's emphasis on sustainability and circularity, experts doubt that reshoring or localisation of production will become dominant in an era still shaped by global value chains, even if those chains are made greener. Instead, they may expect the EU to continue participating in globalised supply networks, albeit with stronger environmental standards.

The Delphi survey results for Scenario 1 present a picture of measured optimism. Experts generally agree that under a structured transformation, Europe could maintain high employment levels, expand sustainable industries, and preserve core welfare protections. However, they also caution against assuming a frictionless transition. Risks of wage and job polarisation, regional divergence, and institutional power shifts remain on the radar, suggesting the need for targeted policy interventions to accompany broader climate and digital strategies.

In addition to the quantitative assessments in the Delphi survey, respondents also identified several nuanced developments in Scenario 1, suggesting that even within a structured and coordinated transition, complex dynamics will shape the future of labour markets and welfare. One of the key insights is the presence of “multiplying factors”, whereby individual challenges—such as mismatched skills or regional disparities—act as amplifiers of broader systemic tensions. This reflects an understanding that issues will not emerge in isolation but rather in interaction, requiring cross-sectoral responses and anticipatory policymaking.

Experts also highlighted a continued decline in trade union influence, marked by decreasing union density and weakening collective bargaining coverage. This points to a structural transformation in labour relations, even in a scenario otherwise aligned with equity and inclusiveness. Alongside this, the labour market is expected to become more fragmented, with an increase in self-employment and non-standard forms of work, and deregulation of working time norms. While decarbonisation policies are projected to be successfully implemented—with a focus on a just transition—experts cautioned that the negative employment effects of climate change, such as job disruptions following environmental catastrophes, will remain. Moreover, climate-induced migration is likely to create pressure on the labour market, although integration policies are seen as partially offsetting these effects. Lastly, digitalisation is flagged as a source of concern for workplace health and safety, with new risks emerging that may not be fully addressed by existing frameworks. These additional insights underscore the importance of not only designing resilient systems, but ensuring their capacity to adapt to evolving, interconnected challenges.

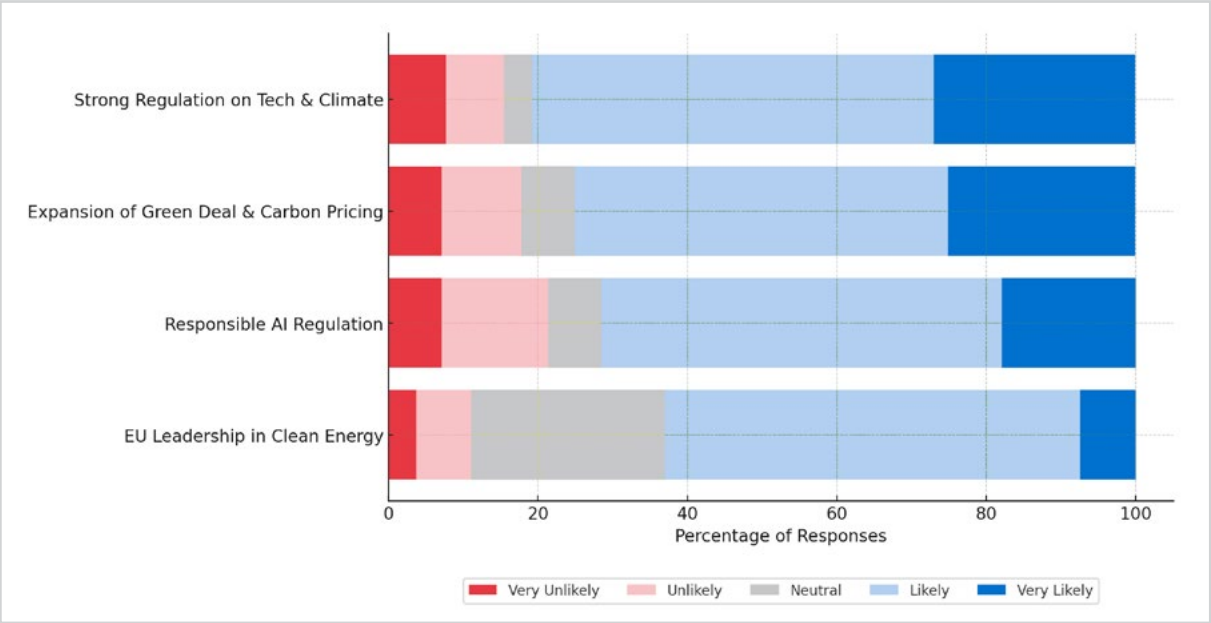
Figure 11. Rating of social outcomes for different demographic groups



The Delphi survey responses regarding the social outcomes of Scenario 1 reveal a clear divergence in expected impacts across demographic groups (see Figure 11). Participants anticipate overwhelmingly positive effects for those with high education, country nationals, and men, with these groups receiving the highest shares of positive or very positive ratings. For highly educated individuals in particular, over 80% of responses anticipate favourable outcomes, suggesting confidence in their adaptability to technological, labour market, and policy transitions embedded in this scenario.

In stark contrast, groups such as migrants and refugees, individuals with low educational attainment, older workers (50+), and youth are seen as more vulnerable to negative consequences. Migrants and refugees stand out as one of the most disadvantaged groups, with a significant portion of respondents predicting negative or very negative outcomes. Similarly, individuals with low education levels are expected to struggle, likely due to challenges in accessing quality employment and adapting to evolving skill requirements. The youth also face a mixed outlook—despite generally being better positioned for adaptation, they are perceived as at risk of being excluded from the benefits of the transition. These results suggest that, while Scenario 1 includes progressive elements, it may still perpetuate or deepen social inequalities if compensatory measures are not actively implemented.

Figure 12. Likelihood of some assumptions



The assumptions (see Figure 12) associated with Scenario 1 were originally drafted during the first workshop and later tested through the Delphi survey. The responses reveal a generally optimistic outlook among participants regarding the EU's regulatory and leadership capacity in green and digital transitions. Across all four assumptions—strong regulation on tech and climate, expansion of the Green Deal and carbon pricing, responsible AI regulation, and EU leadership in clean energy—there is a strong majority indicating that these developments are either "likely" or "very likely" to occur.

Notably, "Responsible AI Regulation" and "Strong Regulation on Tech & Climate" stand out with particularly high confidence levels, suggesting widespread belief in the EU's regulatory momentum and political will. Although there is some scepticism—reflected in a small share of "unlikely" or "very unlikely" responses—this remains a minority view. However, "EU Leadership in Clean Energy" and the "Expansion of the Green Deal" do face more neutral or doubtful ratings compared to the others, indicating that while ambition is recognised, actual leadership and implementation may face greater barriers. Overall, the results support the plausibility of Scenario 1 and reinforce the view that participants consider this future a credible and actionable path, albeit not without challenges.

→ SCENARIO 2

Figure 13. Likelihood of some outcomes for labour market and welfare state

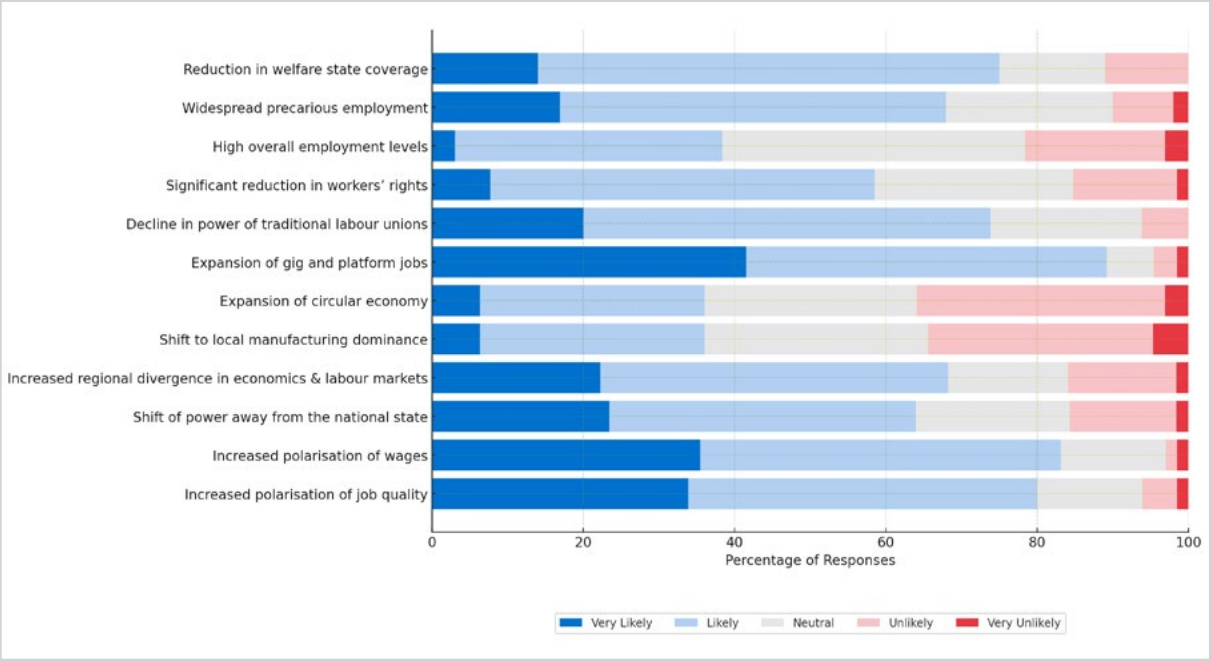


Figure 12 on Scenario 2 – rated the most plausible scenario by 85.5% of Delphi respondents – reveals a striking convergence around a deeply fragmented and polarised labour market and welfare landscape. Unlike Scenario 1, where assessments were more varied, here the responses show overwhelming expectations of systemic deterioration across multiple dimensions.

A large majority of respondents consider several negative labour and welfare trends as "likely" or "very likely." Notably, over 70% foresee a reduction in welfare state coverage, suggesting broad concern that public social protection systems will fail to keep pace with socio-economic needs. Similarly, the expansion of gig and platform jobs is expected by nearly 80% of respondents, confirming the anticipated shift toward precarious, unregulated forms of employment. The continued decline in the power of traditional labour unions is also perceived as almost inevitable, reinforcing the view that collective bargaining and labour representation will continue to weaken in the face of digital and fragmented work.

Other strongly anticipated outcomes include the significant reduction in workers' rights and increased polarisation of wages and job quality, both seen as highly likely by the majority. These results signal that respondents expect not only more precarious jobs, but also a starker divide between high-income, secure positions and low-wage, unstable work. The shift of power away from the national state is similarly rated as probable, reflecting concerns over the erosion of state-led governance in favour of supranational, regional, or corporate actors.

In contrast, outcomes generally associated with more inclusive or sustainable development—such as high overall employment, expansion of the circular economy, or a shift to local manufacturing dominance—are viewed with scepticism. A significant share of respondents rates these as "unlikely" or "very unlikely," suggesting a lack of confidence in the capacity of current policy and economic systems to generate widespread job creation or support green industrial transformation.

The increased regional divergence in economic and labour markets is also considered highly likely, echoing fears of spatial inequality whereby economically strong regions continue to attract investment and opportunities, while peripheral and rural areas fall further behind. This aligns with the scenario's broader depiction of a fragmented, polarised future in which technological gains and economic benefits are distributed unevenly—both geographically and socially.

The Delphi results for Scenario 2 highlight a complex interplay of challenges across the labour market, welfare systems, and broader socio-economic dynamics. Respondents emphasised the risk of unequal technological distribution within the EU, which could exacerbate existing market disparities and weaken cohesion. Political fragmentation, demographic pressures, and far-right influences are also expected to shape policy trajectories, potentially increasing polarisation. In a multipolar global order, rising inequality between regions and firms is anticipated, further contributing to geopolitical and economic instability. At the same time, public service privatisation and growing corporate power are seen as major concerns, particularly in the context of elite urbanisation.

Labour and environmental conditions are projected to deteriorate due to a combination of deregulation, climate-induced disruptions, and political inaction. Respondents foresee worsening job safety, increased prevalence of non-standard employment, declining trade union influence, and a general weakening of labour protections. Environmental challenges such as climate catastrophes are likely to aggravate these issues, while weak policy responses may fail to prevent growing divisions between regions. Disparities in job opportunities could hinder mobility and deepen regional inequality, posing additional threats to economic resilience.

Finally, the scenario anticipates a rise in undesirable forms of self-employment and a general weakening of social cohesion. As public services retreat and market pressures mount, social solidarity may erode, and prices are expected to rise. The interplay of environmental degradation, regional divides, and institutional weakness paints a picture of increasing instability—both socially and economically—unless comprehensive policy measures are implemented to counteract these trends.

Figure 14. Rating of social outcomes for different demographic groups

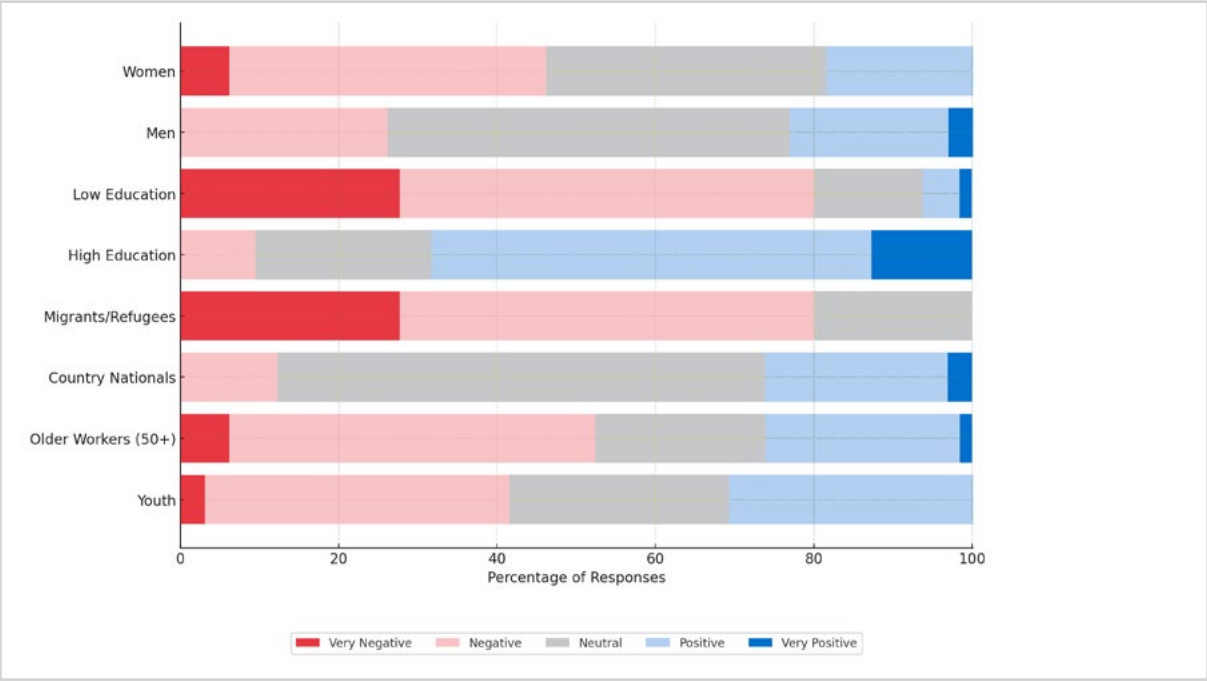


Figure 14 illustrating Scenario 2's rating of social outcomes for different demographic groups reveals a highly polarised perception of impact. Women and migrants/refugees are seen as the most negatively affected by this scenario. A substantial share of respondents rated the outcomes for these groups as negative or very negative, reflecting concerns about vulnerability, exclusion, and worsening inequalities. Similarly, individuals with low levels of education are viewed as likely to experience adverse effects, with more than half of responses indicating a negative or very negative outlook. This suggests fears of limited access to quality employment, skill mismatches, or displacement in a more polarised labour market.

Older workers (aged 50 and above) are also expected to face significant challenges, particularly in adapting to a fast-changing and digitalised economy, as shown by the dominance of negative ratings. Youth receive a more mixed evaluation, with a sizeable portion of neutral and negative assessments, reflecting uncertainty about labour market entry, job security, and quality. In contrast, individuals with higher levels of education and country nationals are perceived as the primary beneficiaries of this scenario. A majority of responses for these groups fall under the positive or very positive categories, suggesting that they are seen as better equipped to navigate or benefit from the structural shifts envisioned in Scenario 2. Men receive a more moderate assessment, with their outcomes rated more positively than women's, but still with a wide spread across the response categories. Overall, the data suggests that Scenario 2 is expected to deepen existing socio-economic divides unless policies are implemented to mitigate these disparities.

Scenario 2 is expected to exacerbate exclusion for already marginalised groups. Respondents added concerns that LGBTQI+ and non-binary individuals, as well as people with disabilities or work-related illnesses, will face increasing difficulties and barriers in accessing opportunities. This deepening marginalisation is mirrored by broader trends of social and economic inequality, including the potential rise of criminal and private military activity as formal structures weaken. Educational prospects are also at risk, with young people perceiving a decline in opportunities compared to earlier generations.

Moreover, the analysis cautions against assuming uniform effects within demographic groups. Differences in socio-economic background, even within categories such as "men" or "women", will produce varied outcomes. Similarly, while highly educated individuals are generally seen as benefiting from the scenario, those advantages may vary significantly depending on their field of expertise. This internal heterogeneity underscores the need for nuanced, intersectional approaches to understanding and addressing the social impacts of future scenarios.

Figure 15. Likelihood of some assumptions

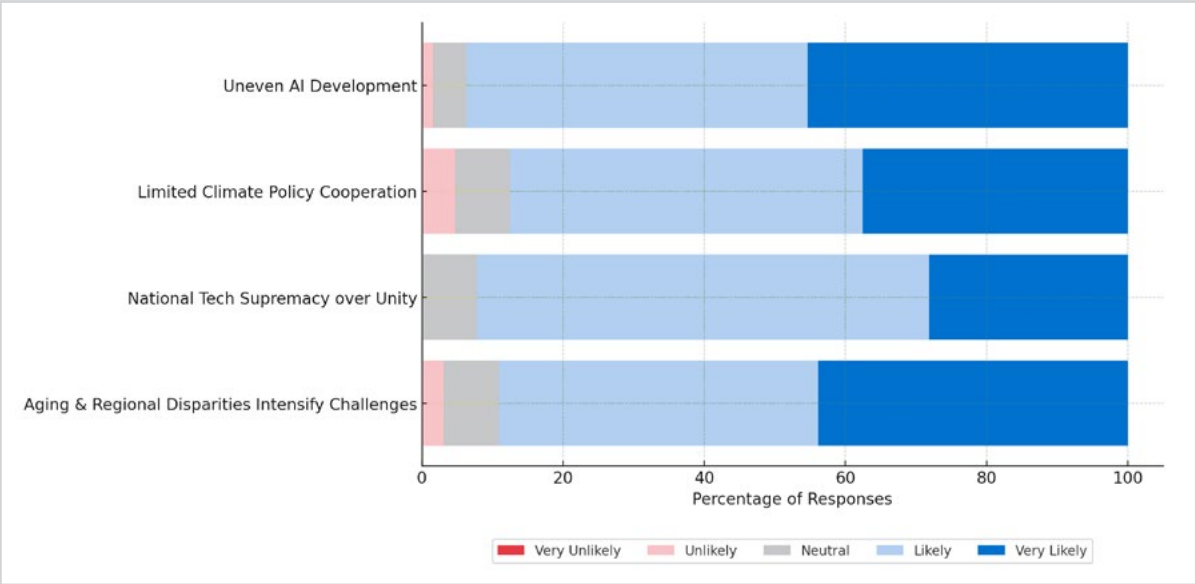


Figure 15 presents expert assessments of the likelihood of several core assumptions underpinning Scenario 2, which emerged as the most plausible scenario during the Delphi process. These assumptions were originally drafted during the first workshop and reflect anticipated structural dynamics in the evolution of labour markets and welfare systems.

Uneven development in artificial intelligence is considered highly likely, with respondents showing a strong consensus that advancements in AI will not be equally distributed across regions or sectors. This indicates concerns about a deepening technological divide that could further amplify inequalities both within and between EU member states. Similarly, there is strong agreement that limited climate policy cooperation will characterise the future, reflecting scepticism about the capacity or willingness of states to coordinate effective climate action. This assumption suggests a fragmented policy environment that could hinder a unified and fair transition to a low-carbon economy.

Another highly likely assumption is that national competition in technological development will override broader European unity. Respondents expect states to prioritise domestic competitiveness and innovation leadership over cooperative governance, which may pose challenges for setting shared standards and securing inclusive digital transitions. Lastly, there is near-universal agreement that demographic ageing and regional disparities will intensify. This is seen as a major and persistent source of strain on labour markets and welfare systems, particularly in terms of uneven economic performance, service accessibility, and employment opportunities across the EU.

Taken together, these assumptions depict a fragmented, unequal and geopolitically tense environment. The scenario they support is one where divergence, rather than integration, shapes both economic and social outcomes across Europe, placing increasing pressure on national welfare systems and undermining collective resilience.

In Scenario 2, respondents contributed a range of additional assumptions that reflect a growing unease about the alignment between demographic trends, climate objectives, and prevailing economic systems. Ageing and declining populations are perceived as potentially advantageous

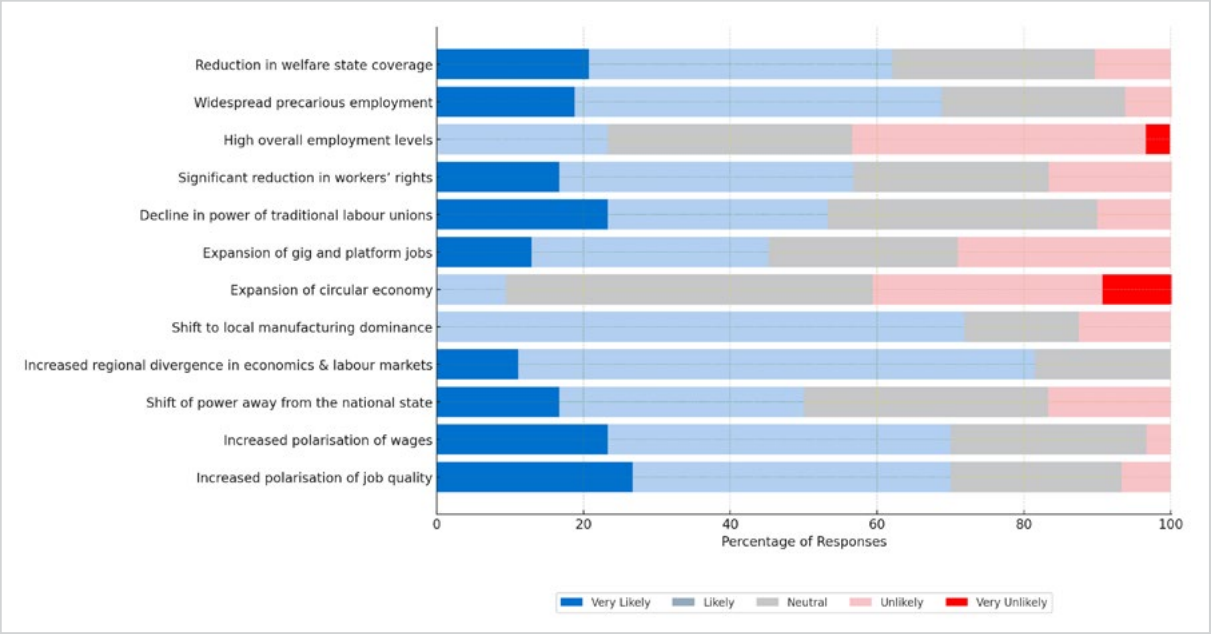
for reducing emissions, aligning with long-term climate targets. However, this also disrupts capitalist growth models, which depend on constant expansion and a growing labour force. Simultaneously, human overpopulation continues to be identified as a major driver of environmental degradation, particularly through excessive CO_2 emissions. These tensions highlight an underlying incompatibility between environmental sustainability and current economic logics.

Respondents further anticipated intensifying geopolitical instability and migration dynamics. Assumptions were made about a world increasingly fragmented by war, international conflict, and rising anti-immigrant nationalism. Political polarisation is expected to grow within and between countries, undermining the ability to establish shared agendas and coordinated policy responses. These divisions are likely to hinder collaborative efforts to address global challenges like climate change, labour market volatility, and humanitarian crises. Respondents emphasised that these processes will not only shape national policy choices but could also deepen social exclusion and marginalisation, particularly in already vulnerable communities.

Finally, a notable set of assumptions pointed to escalating wealth inequality and the rise of technological social control. The top 1% are expected to continue concentrating wealth, exacerbating socio-economic divides and further limiting social mobility. Respondents noted that emerging technologies, while promising in some areas, are also likely to reinforce surveillance and control mechanisms, contributing to an erosion of democratic freedoms and civil liberties. The confluence of wealth accumulation and technological dominance suggests a future in which power is increasingly centralised, leaving large segments of the population economically and politically disenfranchised. These additional assumptions reflect deep concerns about the trajectory of social cohesion and institutional trust under this scenario.

→ SCENARIO 3

Figure 16. Likelihood of some outcomes for labour market and welfare state



Scenario 3, ranked as the third most plausible scenario by 41% of respondents, presents a more ambiguous outlook, marked by high levels of uncertainty and divergent expectations. The Delphi survey results reveal a more scattered distribution of responses across most labour market and welfare outcomes, suggesting that this scenario is viewed as both context-dependent and vulnerable to competing interpretations.

A few outcomes stand out as being relatively more widely expected (Figure 16). For example, a reduction in welfare state coverage is considered likely or very likely by a majority, echoing concerns about fiscal constraints or political shifts that may limit future social protection. Similarly, increased polarisation of wages and job quality garners high likelihood ratings from respondents, indicating that inequality in both income and employment conditions is seen as a probable development. These results are consistent with a scenario in which economic stagnation and fragmented policy responses fail to mitigate structural disparities in labour markets.

However, unlike Scenarios 1 and 2, most other outcomes provoke more divided responses. For instance, high overall employment levels show a notable spread across the entire spectrum, from "very likely" to "very unlikely", indicating significant disagreement or uncertainty among respondents. This could reflect the complex interplay between job preservation in traditional sectors and limited opportunities for future growth, a defining characteristic of the “Good Old Stagnant Europe” narrative that Scenario 3 likely evokes.

Additionally, declines in union power, precarious employment, and the expansion of gig and platform jobs are all considered moderately likely, but far less so than in Scenario 2. Respondents appear less confident in the inevitability of these developments, perhaps due to the possibility of localised resistance or inertia in labour market structures. In contrast, positive transformations such as the expansion of the circular economy or a shift to local manufacturing dominance receive low likelihood ratings, suggesting scepticism that innovation or structural renewal can be achieved without robust policy or technological support.

A particularly revealing indicator of the scenario's perceived volatility is the high share of “neutral” responses across multiple outcomes. This implies a sense of contingency—where developments depend heavily on national-level decisions, regional dynamics, or external shocks. For instance, expectations around the shift of power away from the national state and regional divergence in economic and labour outcomes remain plausible but not definitive, reflecting the scenario’s emphasis on localism, uneven governance, and fragmented EU integration.

Scenario 3 is seen as less polarised but also less transformative than the others. Its plausibility lies in the familiarity of the status quo it portrays—marked by stagnation, caution, and partial adaptation—but its internal contradictions and lack of clear directional momentum lead to more mixed expectations. Respondents appear to agree that key challenges will persist, but diverge on whether this will result in systemic breakdown or simply an extended period of policy drift and diminished ambition.

Respondents to the Delphi survey raised several significant assumptions regarding Scenario 3, reflecting deep concerns about its feasibility and potential societal impacts. Firstly, they largely dismissed slow technological development as an unrealistic trajectory, signalling that technological progress is likely to continue at pace regardless of political or economic constraints. Instead, they pointed to political direction as the decisive factor shaping future developments. This could

lead to starkly divergent outcomes: on one hand, a retreat into insular, exclusive local "fortresses" marked by protectionism and exclusion; on the other, the possibility of more democratic, participatory, and inclusive local "communities" driving collective resilience and innovation.

In addition, the erosion of social safety nets emerged as a major concern, particularly around the sustainability of pensions. Respondents feared that further pension reductions could trigger a sharp rise in elderly poverty, placing additional pressure on already strained welfare systems. This fear was compounded by the anticipated growth in the number of working poor—those employed but unable to meet basic living standards—raising broader questions about job quality and the adequacy of social protections. Finally, climate-related risks, especially devastating weather conditions, were identified as a multiplying factor that would exacerbate existing inequalities, strain infrastructure, and intensify social vulnerabilities, particularly for marginalised populations. These interconnected risks highlight the importance of comprehensive, inclusive policymaking to address both structural economic issues and environmental instability.

Figure 17. Rating of social outcomes for different demographic groups

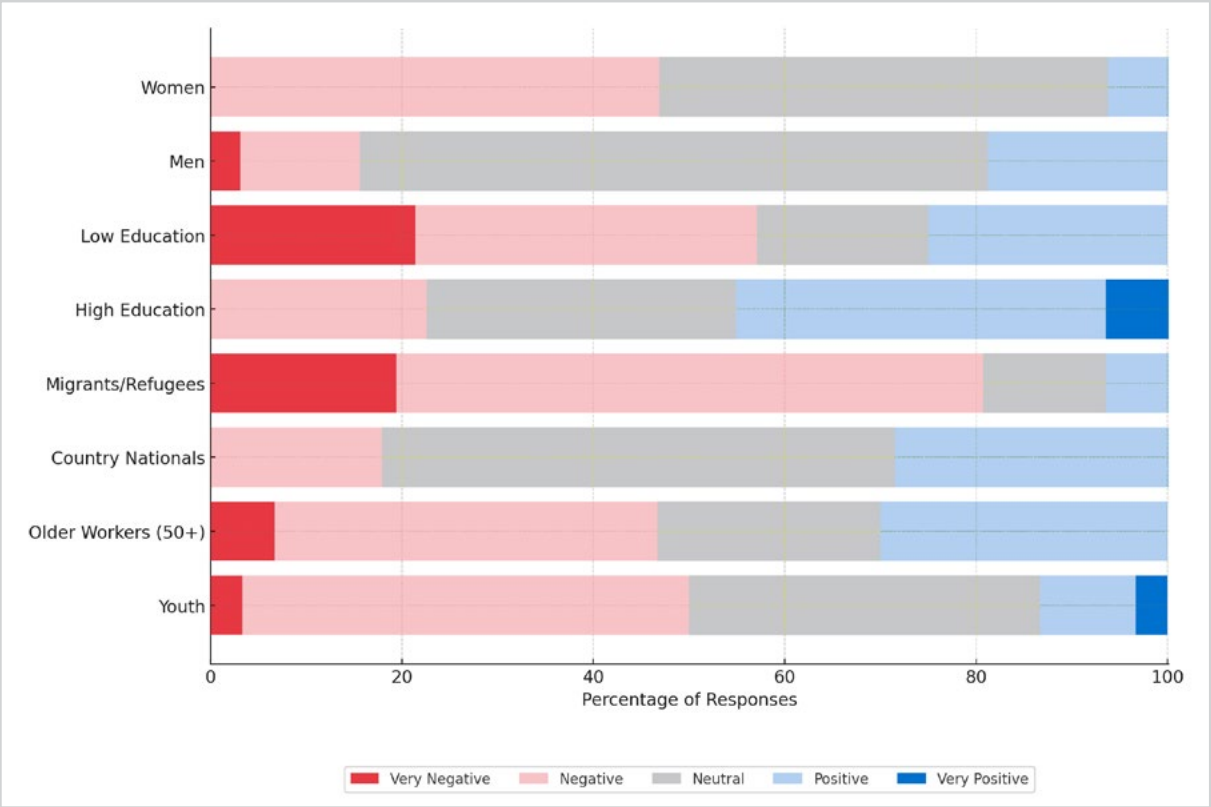


Figure 17 presents the perceived social outcomes of Scenario 3 across different demographic groups. The responses highlight a highly uneven distribution of expected impacts, with some groups seen as particularly vulnerable.

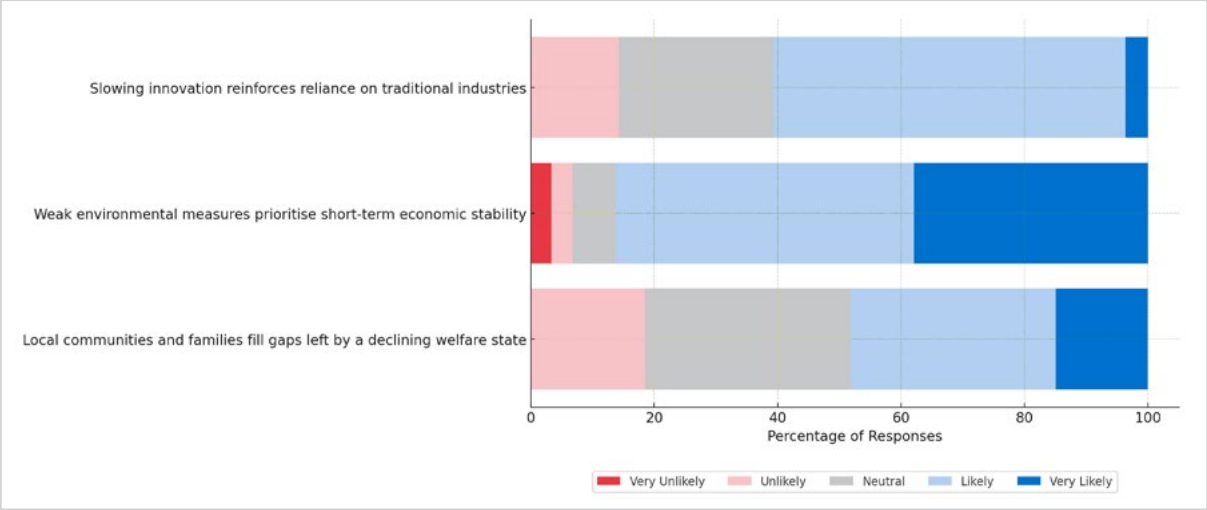
Women, migrants/refugees, and those with low education are anticipated to fare the worst under this scenario. All three groups are marked by a substantial share of responses indicating very negative and negative outcomes, particularly for migrants and low-educated individuals, where negative assessments dominate the spectrum. These groups are likely to be hit hardest by deteriorating job quality, increased precarious employment, and limited access to social protection.

By contrast, highly educated individuals are seen as significant beneficiaries, with a majority of responses rating their outcomes as positive or very positive. This suggests that Scenario 3 may reinforce existing educational divides, potentially intensifying social inequality. Similarly, country nationals are expected to see favourable outcomes, in stark contrast to migrant populations.

The older workforce (50+) is another group facing a predominantly negative outlook, marked by a strong presence of very negative responses. This may reflect concerns around pension cuts, declining job security, or inadequate retraining options. Meanwhile, young people are viewed slightly more favourably, with a more balanced distribution of responses across the spectrum, though still skewing toward neutral and negative assessments. Men are seen to benefit slightly more than women, with fewer very negative ratings and more neutral to positive assessments.

Scenario 3 appears to carry high social polarisation, favouring the highly educated and native populations, while intensifying precarity and exclusion for the already disadvantaged.

Figure 18. Likelihood of some assumptions



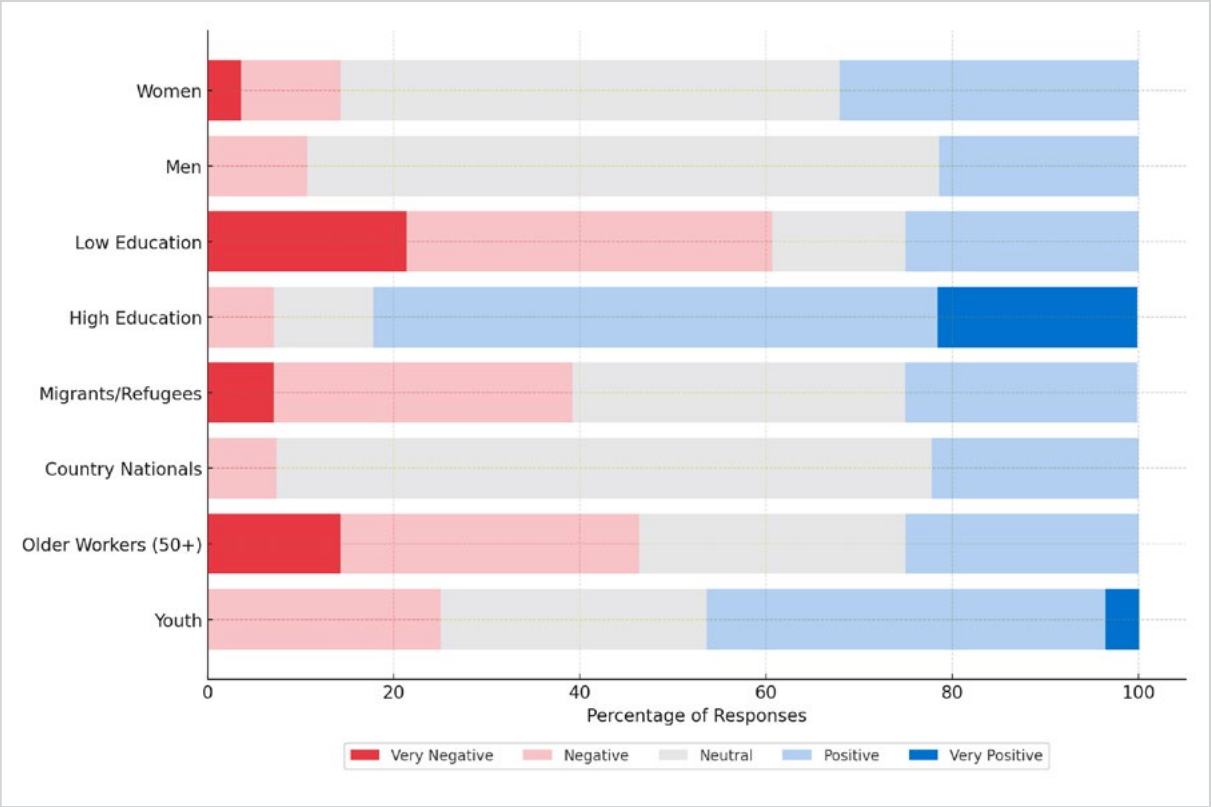
In Scenario 3, the assumptions rated by respondents reflect a future shaped by conservative technological progress, weakened environmental policy, and increased reliance on community-based support mechanisms due to the declining welfare state (Figure 18). One key assumption is that a slowdown in innovation will reinforce dependence on traditional industries. This view was broadly seen as likely or very likely by a majority of respondents, suggesting a scenario in which economies fail to pivot effectively towards advanced technological sectors. Such a trend implies stagnation in productivity and a potential loss of global competitiveness, particularly in green and digital markets.

Another widely endorsed assumption is that weak environmental measures will be implemented, with short-term economic stability being prioritised over long-term ecological concerns. The strong consensus here indicates a perceived trade-off between immediate economic interests and sustainability. This could result in minimal or delayed investment in climate action, reinforcing existing industrial models and exacerbating environmental degradation. The implication is that governments may face pressures—political, economic, or social—that lead to inaction or superficial environmental reforms, potentially intensifying both climate risks and future socio-economic inequalities.

Finally, the third assumption underscores a social shift wherein local communities and families are expected to absorb the responsibilities traditionally held by the state. The majority of respondents consider this scenario likely or very likely, highlighting concerns over a retreating welfare infrastructure. As formal support systems weaken, informal care and mutual aid networks may need to fill the void—potentially deepening inequalities across regions and social groups. This trend could strain households, especially in areas already facing economic or demographic challenges, and poses questions about the sustainability of relying on decentralised, under-resourced support mechanisms in the face of systemic crises.

→ SCENARIO 4

Figure 19. Likelihood of some outcomes for labour market and welfare state



Scenario 4, labelled the least plausible scenario by 68% of Delphi respondents (and also by participants to the first foresight workshop), presents a future where ambitious climate targets clash with sluggish technological progress and constrained economic conditions—resulting in widespread scepticism regarding its realisability. The chart illustrates a broad lack of confidence in many of the expected labour market and welfare outcomes associated with this downsizing scenario.

The most notable pattern in the data is the low perceived likelihood of many positive transformations (Figure 19). For example, outcomes such as the expansion of circular economy, shift to local manufacturing dominance, and expansion of gig and platform jobs are mostly rated as unlikely or very unlikely, suggesting that experts question the capacity of this scenario to deliver sustainable economic renewal or alternative employment models in the face of technological stagnation. Similarly, the decline in power of traditional labour unions and the significant reduction in workers'

rights are largely considered implausible, indicating a general expectation that institutional protections may remain in place, even under strained conditions.

On the other hand, some negative trends still receive moderate support, particularly regarding reduction in welfare state coverage, widespread precarious employment, and increased polarisation of job quality and wages. While not overwhelmingly likely, these outcomes do gather a noticeable share of agreement—suggesting that participants still perceive social inequalities and labour market strain as credible risks in this scenario, even if the broader trajectory seems unrealistic.

What distinguishes this scenario from others is the high proportion of "unlikely" and "very unlikely" responses across nearly all indicators, paired with limited "very likely" ratings. This suggests that, although the challenges it describes (such as climate pressure, technological lag, and economic strain) are acknowledged, the co-occurrence of these difficulties without sufficient technological or institutional counterbalances is perceived as too extreme or unbalanced to be probable. The respondents seem to doubt that such a scenario could hold together structurally or politically, especially in the long term.

The overall interpretation of the results reveals Scenario 4 as a warning more than a forecast—highlighting tensions between ambition and capacity, but not seen as a cohesive or likely pathway. Instead, it serves as a cautionary illustration of what might happen if Europe sets strong climate goals without matching them with sufficient technological innovation, inclusive labour strategies, or robust welfare support systems.

Respondents highlighted that the viability of Scenario 4 hinges on a profound cultural and economic transformation. They stressed that a new type of economy is both a precondition and an outcome of the cultural shift required to enable sustainable change. This reciprocal relationship suggests that altering societal values and priorities is essential to breaking away from growth-driven economic models. However, there is a recognition that current market dynamics—which prioritise short-term profits, consumption, and competition—may actively resist such a shift. This resistance could become a significant barrier, making it harder to align economic activity with long-term sustainability goals.

In addition to cultural challenges, resource scarcity was a key concern. Respondents argued that even with strict environmental policies, scarcity will remain a structural issue, driven by ecological limits and the existing global economic model. As a result, they saw planned degrowth not just as a normative proposition, but as a practical necessity. This approach would not rely primarily on developing new “green” technologies, but rather on restructuring institutions and economic practices to function with fewer resources, less energy consumption, and a reduced dependence on GDP growth. The implication is a call for a systemic reorganisation of economic and social life, prioritising sufficiency, equity, and ecological integrity over efficiency and expansion.

Figure 20. Rating of social outcomes for different demographic groups

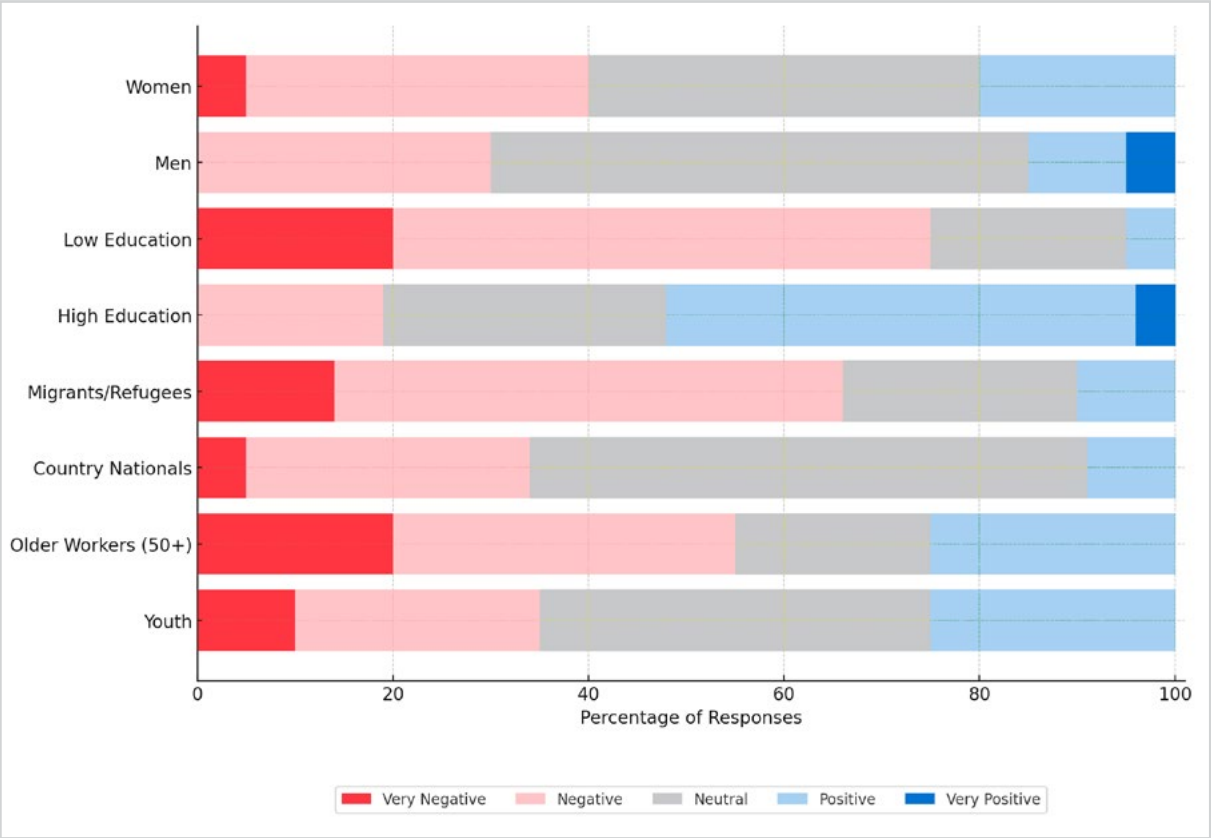


Figure 20 on Scenario 4 outlines how various demographic groups are expected to experience social outcomes under this scenario, which, although considered the least plausible, is still rated as likely by 68% of respondents. The responses show pronounced disparities across groups, pointing again to likely social fragmentation.

Women, low-educated individuals, migrants/refugees, and older workers are all projected to experience overwhelmingly negative to very negative outcomes. These groups exhibit substantial concentrations of red and dark red segments, indicating widespread concern that Scenario 4 would intensify existing vulnerabilities – including employment precarity, exclusion, and limited social protection. For low-educated individuals, in particular, there's a marked predominance of negative assessments, with very little perceived opportunity for improvement.

On the other hand, highly educated individuals are again viewed as most resilient or advantaged, with strong positive and very positive ratings. This suggests that even in a low-plausibility context, knowledge-based capital and high-level skills are assumed to insulate individuals from broader economic and social risks.

Country nationals and men fare moderately, with responses more evenly spread across neutral and positive categories, and significantly fewer very negative evaluations compared to marginalised groups. Youth, however, are also among those perceived as particularly vulnerable, with high proportions of negative outcomes – reflecting concerns about job market access and life-course stability in challenging conditions.

Scenario 4, despite being less likely, continues the pattern of pronounced inequality in social outcomes: reinforcing a divide between high-skilled nationals and socio-economically disadvantaged or minority groups. This underscores how even hypothetical futures may be interpreted through the lens of existing structural disparities.

Figure 21. Likelihood of some assumptions

In Scenario 4, the assumptions reflect a transformative shift towards strong climate-oriented governance and sustainable economic models (see Figure 21). The most agreed-upon assumption is that rapid decarbonisation will be driven by ambitious climate policies. The majority of respondents rated this outcome as likely or very likely, indicating widespread belief that regulatory and political momentum could decisively accelerate environmental transition. This vision portrays a future where climate goals become central to policy-making and industrial planning, triggering significant systemic changes across sectors.

Another prominent assumption is that a lack of technological breakthroughs may hinder clean tech development. This view was also seen as probable, reflecting concerns that innovation may not keep pace with the growing urgency of environmental challenges. Such technological stagnation could constrain efforts to scale up renewable energy, green infrastructure, and circular economy models. Respondents seem to foresee that while political ambition may be present, realising these goals without substantial technological progress will remain difficult, possibly leading to slower or more expensive transitions.

The final two assumptions show the potential trade-offs and cultural dimensions of the scenario. Many respondents consider it likely that climate goals will dominate investment decisions, thereby limiting growth and innovation in other sectors. This could lead to imbalances in funding, with strategic industries outside of climate policy—like health, education, or traditional manufacturing—receiving less attention. Additionally, there is broad agreement on the possibility of a cultural shift towards sustainability as a result of regulation. While promising from an ecological standpoint, this transformation may face societal resistance, particularly if it disrupts established market behaviour or personal lifestyles. Overall, respondents envision Scenario 4 as a high-ambition but potentially disruptive path towards deep structural change.

3.2.2. DIVERGING AND CONVERGING TRENDS

Table 2. Summary – Likelihood of labour market and welfare outcomes

Outcome	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Reduction in welfare state coverage	Likely	Very Likely	Very Likely	Likely
Widespread precarious employment	Likely	Very Likely	Very Likely	Likely
High overall employment levels	Likely	Likely	Neutral/ Unlikely	Neutral
Significant reduction in workers' rights	Neutral	Likely	Likely	Neutral
Decline in power of traditional labour unions	Neutral	Likely	Likely	Neutral
Expansion of gig and platform jobs	Likely	Very Likely	Likely	Neutral/ Unlikely
Expansion of circular economy	Likely	Neutral	Neutral	Neutral/ Unlikely
Shift to local manufacturing dominance	Unlikely	Unlikely	Unlikely	Unlikely
Increased regional divergence of economics & labour markets	Likely	Very Likely	Very Likely	Likely
Shift of power away from national state	Neutral/ Unlikely	Likely	Likely	Neutral
Increased polarisation of wages	Likely	Very Likely	Likely	Likely
Increased polarisation of job quality	Likely	Very Likely	Likely	Likely

Table 2 highlights distinct patterns in the perceived likelihood of various labour market and welfare outcomes across the four scenarios. Scenarios 1, 2, and 3 generally align in predicting a high probability of negative trends such as a reduction in welfare state coverage, widespread precarious employment, and increased polarisation of wages and job quality. Scenario 2, considered the most plausible by respondents, consistently shows the highest likelihood for systemic erosion of workers' rights and the rise of platform-based employment. Scenario 3 similarly anticipates strong declines in traditional labour protections but expresses more uncertainty around employment levels. Scenario 1 stands out slightly for anticipating more neutral or less likely outcomes regarding local manufacturing and power shifts from national states, suggesting a more moderate trajectory.

Scenario 4, though less plausible overall, diverges with slightly more neutral or uncertain expectations on several outcomes. It remains consistent with others in forecasting high precariousness and polarisation but shows lower confidence in drastic shifts, such as the decline of labour unions or the rise of gig work. Across all scenarios, there is clear convergence on the increasing fragmentation of labour markets and job quality, with significant concerns around growing inequality

and institutional weakening. The differences lie more in the extent and certainty with which these developments are expected to unfold.

Table 3. Summary – Rating of social outcomes for different demographic groups

Demographic Group	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Women	Mostly Neutral to Positive	Negative to Neutral, slight Positive	Strongly Negative to Neutral	Mostly Negative to Neutral
Men	Neutral to Positive	Negative to Positive	Neutral to Positive	Mostly Neutral to Positive
Low Education	Strongly Negative	Strongly Negative	Strongly Negative	Very Negative
High Education	Strongly Positive	Strongly Positive	Strongly Positive	Strongly Positive
Migrants/ Refugees	Strongly Negative	Strongly Negative	Strongly Negative	Strongly Negative
Country Nationals	Neutral to Positive	Neutral to Positive	Neutral to Positive	Neutral to Positive
Older Workers (50+)	Strongly Negative to Neutral	Mostly Neutral to Positive	Strongly Negative to Neutral	Mostly Negative to Neutral
Youth	Neutral to Strongly Positive	Neutral to Strongly Positive	Neutral to Strongly Positive	Neutral to Strongly Positive

The Delphi findings reveal clear stratifications in perceived social outcomes (see Table 3), with education level emerging as the most decisive axis of differentiation. Across all four scenarios, individuals with high education are consistently rated as experiencing positive to very positive outcomes. This uniform trend underscores a strong belief among respondents that education equips individuals with the adaptability, digital literacy, and mobility needed to navigate future transformations in labour markets, welfare systems, and societal structures. Their perceived resilience suggests an ongoing or even widening divide between socio-educational classes in all possible futures.

In stark contrast, those with low levels of education are viewed as bearing the brunt of negative developments. Particularly in Scenarios 2 and 3 — the most plausible and the third most plausible respectively — respondents associate low education with very negative to negative social outcomes. This consistent pattern reflects entrenched concerns about exclusion from upskilling opportunities, vulnerability to automation and precarity, and diminished access to robust welfare protections. The stark polarity between high and low education groups indicates that future policy interventions would need to be sharply focused on reducing structural educational disadvantages if equitable outcomes are to be achieved.

Other vulnerable groups, notably migrants/refugees and older workers (50+), also face disproportionately negative outcomes across all four scenarios. Migrants and refugees are consistently viewed through a lens of disadvantage, likely reflecting expectations of continued discrimination, limited labour integration, and institutional neglect — particularly in more fragmented or protec-

tionist futures (e.g. Scenario 2 and 3). Similarly, older workers are perceived as struggling in each scenario, although Scenario 2 shows a slightly more hopeful outlook. This reflects anticipated challenges for ageing populations in adapting to digitalised economies and the erosion of senior-friendly employment policies. These perceptions signal deep-rooted structural inequalities that are expected to persist or worsen, irrespective of scenario likelihood.

In contrast, youth are relatively well positioned across all scenarios, receiving positive to very positive evaluations, especially in Scenarios 1 and 2. This may reflect the assumption that young people are better equipped to adapt to technological and social shifts due to higher digital fluency and education levels. However, the moderately neutral ratings in Scenario 3 hint at the risk of intergenerational strain or over-reliance on familial support if institutional safety nets weaken.

Finally, gender-based outcomes reveal important nuances. While men tend to receive slightly more favourable assessments than women, both genders see a shift toward negative or neutral outlooks in Scenarios 2 and 4. This may reflect concerns over the persistence of gender inequality in labour and welfare policies. Notably, Scenario 2 — despite being the most plausible — shows some of the most gendered negative expectations, suggesting that even likely futures could exacerbate existing disparities if not deliberately mitigated.

3.3. SECOND FORESIGHT WORKSHOP - POLICY RECOMMENDATIONS

The second foresight workshop built on the first workshop, with the morning dedicated to presenting four scenarios, results from the first Delphi-like survey, and insights from the policy panel. This provided a shared basis for discussing future developments and challenges.

In the afternoon, groups developed policy recommendations on the EU labour market and the welfare state using a predefined template and participant package (see Annex A3 and A4).

3.3.1. PRESENTATION OF THE FIRST DELPHI-LIKE SURVEY RESULTS

The results described in Section 3.2 were presented to participants by HIVA – KU Leuven, offering a detailed overview of the scenarios' potential outcomes and their assessed likelihood. This presentation played a crucial role in creating a common knowledge base among participants, particularly since half of those attending the second workshop had not been present at the first. By introducing the scenario quadrant and summarising the findings from the first Delphi-like survey round, the presentation ensured that all participants—regardless of prior involvement—had a clear understanding of the context, underlying assumptions, and key uncertainties. This enabled them to engage meaningfully in the subsequent discussions and to already start formulating potential policy recommendations for the afternoon working sessions.

Following this, a dedicated question-and-answer session allowed participants to clarify aspects of the scenarios, survey methodology, and interpretation of results. This interactive exchange was immediately followed by the policy panel. The panel's contributions, grounded in practical and policy-relevant experience, provided additional angles and considerations for participants to reflect on. Together, these elements not only reinforced participants' understanding of the material but also offered rich inspiration and critical insights to inform the collaborative development of well-founded policy recommendations later in the day.

3.3.2. THE POLICY PANEL

Key issues for a sustainable growth pattern in the EU

A A number of key messages emerged from the panel discussion on issues and policy areas that are particularly promising for prompting sustainable growth patterns in the EU.

First, the need for measures to ensure training and lifelong learning opportunities was identified as a key concern for achieving sustainable and inclusive growth in the EU. This is essential for achieving the digital and green transitions and addressing the related skills gap. Providing adequate upskilling and reskilling opportunities would be particularly important for workers in sectors experiencing a shortage of workers, as well as for low-skilled workers. For the latter group, these opportunities could facilitate transitions to better and more secure employment. Educational institutions and employment and social services should play a key role in providing students and workers with guidance on the skills needed to find employment in the most promising economic sectors, as well as providing integrated support to workers and jobseekers when needed. Additional support and guidance should be offered to migrant workers to help them exploit their skills and competences. To this end, efforts should be made to ensure the recognition of these workers' educational and vocational certificates. Panel participants also emphasised the importance of providing citizens and workers with the right conditions to enrol in training and lifelong learning activities. This includes adequate income support to afford a decent lifestyle during job transitions and access to care services for those with care responsibilities. Furthermore, equal opportunities must be guaranteed when offering training and LLL measures, with particular attention paid to avoiding age stereotypes (e.g. not offering these measures to older workers on the assumption that they will soon retire).

Second, the labour market situation of older workers emerged as a key issue, particularly in light of demographic changes and the green and digital transitions. To effectively address age stereotypes, it is necessary to develop new narratives and effective legislation, with companies playing an important role. Flexible retirement pathways could be beneficial, provided older workers are given sufficient freedom to choose their preferred options.

Third, the discussion emphasised the importance of providing affordable, high-quality and accessible care services (including childcare, elder care and long-term care), also in order to promote gender equality. A lack of care services is indeed an important factor hindering gender equality, as these duties are usually taken up by women. This can eventually affect employment rates and productivity, as well as causing worker shortages. The discussion emphasised the important role of the public sector in providing these care services, as private solutions are not always affordable and family and community networks that support care duties are much less available than in the past.

Fourth, discussions on social investment primarily concentrated on the importance of investing in children. This approach was identified as an effective means of combatting the intergenerational transmission of inequalities and improving countries' medium- and long-term macroeconomic prospects. In this respect, efforts should be made to combat child poverty, including investing in children's education to ensure social mobility. It has also been emphasised that expenditure to combat child poverty is highly cost-efficient in macroeconomic terms. Effective strategies to combat child poverty must be multidimensional and involve support from a variety of public services.

Finally, fifth, flexible working arrangements, including working time reduction, were discussed. On this topic, some speakers emphasised the need to distinguish between sectors and types of employment, as working time reduction may not always be an option. From a business perspective, it was noted that reducing working hours is not a viable option without improving productivity: when faced with a shortage of employees, the priority would be to encourage more people to enter the labour market. That said, increasing working time flexibility could be an option in some sectors (for instance, to facilitate care duties). In this respect, however, social dialogue should play a key role, including at company level.

The role of the EU

The second part of the panel discussion focused on the role the EU could play in supporting the implementation of measures that promote sustainable and socially fair development. In this respect, it should be noted that many panellists emphasised the importance of considering the division of competences between the EU and the Member States, including in the areas of social and employment policies.

First, at a general level, some panellists emphasised that the EU should play a key role in ensuring that competitiveness and economic growth are accompanied by social progress.

Second, it was emphasised that the EU is already playing a significant role in supporting social policy measures and social infrastructure in Member States through EU funding. The European Social Fund Plus (ESF+) plays a key role in this. This support is particularly important in times of budget constraints in the Member States and should continue and be enhanced in the future. In addition to the ESF+, the Social Climate Fund is expected to play a key role in ensuring fairness in the green transition, and its implementation in the Member States should be monitored.

Third, the EU should take steps to promote efficient public spending at the national level while allowing enough room for manoeuvre to enable effective social investment, the positive social outcomes of which are evidence-based. In this respect, implementing the recently revised EU economic governance framework will be essential.

Fourthly, some panellists argued that the EU should provide concrete guidance to the Member States, particularly in policy areas under national competence. In this respect, the need for clear EU guidance was explicitly emphasised in relation to developing the EU framework for qualifications (which is key to promoting labour mobility), and to ensuring the ethical use of artificial intelligence within social policy.

Fifth, concrete steps should be taken to reverse Europe's demographic trends, including allowing massive investment in gender equality policies and care services. More generally, some panellists suggested revising the EU Equal Treatment Directive and implementing stricter EU monitoring of how the directive is applied in Member States. This directive protects against various forms of discrimination in the labour market.

Sixth, some concrete recommendations were proposed with regard to older workers and child poverty. With regard to older workers, better monitoring of Member States' measures in the European Semester was suggested, as well as the preparation of an EU Age Equality Strategy. Regarding child poverty, some panellists recommended ensuring close links between the forth-

coming EU anti-poverty strategy and the new action plan for implementing the European Pillar of Social Rights, with a focus on tackling child poverty.

3.3.3. DESCRIPTION OF THE TWO POLICIES PER SCENARIO

After the lunch break, participants were divided into four working groups, each tasked with developing concrete policy recommendations tailored to one of the four scenarios. The objective was to identify measures that could be implemented in the present (2025) to steer developments towards plausible and positive outcomes, while avoiding undesirable trajectories in the European Union's labour market and welfare state by 2040. This forward-looking exercise encouraged participants to think strategically about the actions needed today to influence long-term futures in a constructive way.

To support the process, two moderators from the research team were present at each table, guiding discussions, clarifying scenario assumptions, and ensuring that all contributions were captured. Participants were asked to work within the specific assumptions, constraints, and contextual dynamics outlined for their assigned scenario, taking into account both the opportunities it presented and the risks it entailed. By grounding their proposals in the realities of each scenario rather than in generic policy aspirations, the groups were able to produce targeted and actionable recommendations. The structured format, supported by a predefined template and the participant package, ensured that the outcomes were systematically documented and aligned with the foresight framework, paving the way for the final plenary presentations later in the day.

→ SCENARIO 1

Policy recommendation on labour market

The labour market in Scenario 1 faces a dual challenge: rapid decarbonisation and digitalisation create demand for new skills while rendering many existing ones obsolete. The **Inclusive Transition Programme** is designed to ensure that all workers, regardless of background, region, or sector, can navigate these changes successfully. Its central aim is to facilitate effective and inclusive job-to-job transitions, avoiding the long-term unemployment, brain drain, and skill mismatches that could otherwise emerge.

The programme begins with the development of detailed regional industrial transition plans in 2025. These plans will be prepared jointly by EU institutions, national governments, regional authorities, and social partners, using both quantitative modelling and stakeholder consultation. They will identify projected employment trends, sectoral growth trajectories, skill requirements, and potential bottlenecks for each region. Crucially, they will also analyse local vulnerabilities, including dependency on carbon-intensive industries, exposure to automation, and existing educational and training capacity.

Once these plans are in place, the period from 2026 to 2030 will see a large-scale expansion of public reskilling and upskilling initiatives. Training programmes will be directly aligned with the labour market needs identified in the transition plans, with particular emphasis on green technologies, renewable energy systems, advanced manufacturing, digital engineering, and artificial intelligence applications. Future-proof competencies, such as problem-solving, adaptability, and digi-

tal literacy, will be embedded into primary and secondary education curricula to prepare younger generations before they enter the labour market. For adults, the programme will offer flexible, modular, and certified training that can be pursued alongside employment or while receiving income support during transitions. Partnerships between public training providers, universities, private companies, and civil society organisations will ensure that content is relevant, up-to-date, and accessible.

To address the financial barriers often faced by workers in transition, the programme will establish targeted financial support mechanisms. Workers leaving declining sectors will be eligible for income support linked to active participation in approved training. Firms undergoing industrial transformation will have access to conditional financial assistance for workforce retraining, organisational restructuring, or technology adoption, provided they commit to fair employment practices and sustainable business models.

From 2030 onwards, the programme will enter a phase of continuous monitoring and scaling. Evaluation frameworks will track employment outcomes, regional disparities, skill acquisition, and sectoral performance, enabling policy adjustments to reflect emerging trends in technology, trade, and climate policy. By 2040, the Inclusive Transition Programme is expected to deliver a labour market characterised by low structural unemployment, high-quality jobs in green and technological sectors, and reduced geographic and demographic inequalities.

Policy recommendation on welfare state

While the Inclusive Transition Programme equips workers with the skills and opportunities to move into new sectors, structural transitions inevitably involve periods of unemployment or underemployment. The **European Transition Support Mechanism** addresses this gap by providing a robust yet targeted social protection tool at the EU level. Its primary purpose is to support individuals during labour market transitions without creating dependency, ensuring that social protection actively enables reintegration rather than passively compensating for job loss.

The mechanism will offer time-limited, conditional income support to unemployed or underemployed individuals moving from shrinking industries into growth sectors. Eligibility will be conditional on enrolment in certified reskilling or requalification programmes that are directly linked to the opportunities mapped in the regional industrial transition plans. This conditionality ensures that recipients remain connected to the labour market, strengthens the link between welfare provision and active labour market policies, and addresses political concerns about long-term benefit dependency. Priority will be given to groups facing structural disadvantages, including low-skilled workers, older workers, and people with a migrant or refugee background.

The funding model will draw inspiration from the SURE programme introduced during the COVID-19 pandemic. The EU will raise funds through collective borrowing on capital markets, backed by Member State guarantees, with disbursements allocated according to demonstrated need. As an alternative or complement, a dedicated budget line could be created within the Multiannual Financial Framework, with co-financing from national governments to ensure shared responsibility and commitment.

The roadmap begins in 2025–2026 with comprehensive feasibility studies, stakeholder consultations, and legal framework development. This phase will also involve modelling projected de-

mand, estimating fiscal requirements, and defining operational criteria such as benefit duration, replacement rates, and training participation obligations. From 2027 to 2029, the mechanism will be piloted in selected regions experiencing acute structural change, such as coal-dependent areas or post-industrial towns with high unemployment rates. These pilots will test delivery methods, coordination between EU and national employment services, and the integration of benefits with the Inclusive Transition Programme's training offers. Based on the results of the pilot phase, adjustments will be made before a full EU-wide rollout beginning in 2030.

By 2040, the European Transition Support Mechanism is expected to have significantly reduced long-term unemployment, enhanced workforce adaptability, and improved the resilience of national welfare systems. By sharing the financial and operational responsibility for managing structural labour market change, it will contribute to a more cohesive European social model and ensure that no region or group is disproportionately burdened by the costs of transition.

Together, the Inclusive Transition Programme and the European Transition Support Mechanism represent a comprehensive twin-track strategy for Scenario 1. The first policy builds the capacity of the workforce and the economy to adapt to new realities, while the second provides the social security needed to make such adaptation possible in practice. Coordinated and mutually reinforcing, these measures would allow Europe to thrive in an era defined by globalisation, decarbonisation, and digitalisation, ensuring that prosperity is both sustainable and shared.

→ SCENARIO 2

Policy recommendation on labour market

In a fragmented economy where high-tech local manufacturing becomes central, leaving wage-setting entirely to market forces risks exacerbating inequalities. Without institutional safeguards, employers in emerging manufacturing sectors – especially those benefitting from public subsidies – could impose employment models that prioritise flexibility over stability, eroding job quality. The **Mandatory Collective Bargaining in Manufacturing policy** aims to embed strong worker representation into the industrial fabric of this new economic order, ensuring that technological progress is accompanied by fair pay, decent working conditions, and equitable distribution of value added.

Under this policy, any manufacturing initiative benefitting from EU or national public support, or included within a local or regional industrial strategy, would be required to establish formal collective bargaining structures from the outset. These would be recognised in law and cover wage agreements, working hours, health and safety provisions, and skills development pathways. The principle is not to impose identical bargaining outcomes across countries but to make participation in structured, representative negotiations a condition of doing business in publicly supported sectors.

The roadmap begins in 2025 with an EU-level proposal coordinated by the European Parliament, the European Commission, and the European Economic and Social Committee, supported by extensive consultations with national governments, trade unions, and employer organisations. Between 2028 and 2032, pilot programmes in selected industrial regions would test the operational model, ensuring compatibility with diverse national labour law traditions. These pilots would also explore the integration of collective bargaining requirements into public procurement rules

and subsidy conditionalities. By 2035, national legislation and EU funding frameworks would be fully aligned, making compliance with collective bargaining structures a prerequisite for accessing manufacturing-related public funds. Enforcement would be phased in, with full compliance expected Union-wide by 2040.

By embedding bargaining into the DNA of emerging industries, this policy would counteract labour market polarisation, raise the floor on working conditions, and restore a degree of balance between capital and labour. Over time, it would help stabilise wages, maintain the economic relevance of the middle class, and reduce the social tensions that otherwise emerge when rapid technological change benefits only a narrow segment of society.

Policy recommendation on welfare state

Scenario 2's welfare systems face a tight fiscal environment. The hollowing out of the middle class, combined with the growing share of low-paid and precarious employment, constrains tax revenues. Wealth accumulates at the top but is politically and technically difficult to tax effectively in a fragmented global order. As a result, the redistributive capacity of traditional tax-and-transfer models is weakened. The most sustainable way to address inequality in this context is to act "upstream" – by expanding access to high-quality education and technological competencies so that more citizens can participate in and benefit from technological growth.

The **Education Reform for Inclusive Technological Access** policy is conceived as a pan-European strategy, adopted by the European Council and coordinated through the European Semester, to raise educational standards, reduce socio-economic gaps, and equip learners with the skills needed in a rapidly evolving, tech-driven economy. Recognising the national competence over education, the EU's role would be to set joint priorities, coordinate benchmarks, and link funding incentives to progress, rather than impose a uniform curriculum.

The roadmap begins in 2025 with the Council agreeing to a shared vision and measurable objectives, such as reducing early school leaving, improving PISA scores in disadvantaged regions, achieving universal digital literacy, and integrating AI literacy and entrepreneurial skills into curricula. Between 2026 and 2027, the European Commission and Member States would co-develop national reform action plans, with clear milestones and accountability mechanisms. From 2028 to 2035, these reforms would be rolled out nationally, supported by targeted EU funding. Access to certain EU cohesion and structural funds would be conditional on demonstrated progress in meeting agreed objectives, while positive incentives such as bonus funding, enhanced Erasmus+ mobility for teachers, and support for school infrastructure modernisation would reward high-performing Member States.

The reform would also prioritise inclusion by directing resources to schools in disadvantaged areas, expanding early childhood education, and subsidising access to tertiary education for low-income students. It would integrate non-formal learning pathways, apprenticeships, and innovation hubs into local communities, ensuring that young people from all backgrounds have practical routes into the high-tech economy. By 2040, the policy is expected to narrow educational disparities across Europe, raise the share of the population with advanced digital and problem-solving skills, and broaden participation in technology-driven growth.

Taken together, **Mandatory Collective Bargaining in Manufacturing and Education Reform for Inclusive Technological Access** offer a coherent twin-track strategy for Scenario 2. The first secures fairer distribution of the gains from local manufacturing, while the second builds the human capital base needed to participate in and shape the technological future. In a world of low globalisation, mild climate ambition, and rapid technological change, this combination strengthens both economic resilience and social cohesion, ensuring that technological progress serves society as a whole rather than a privileged few.

→ SCENARIO 3

Policy recommendation on labour market

One of the most damaging features of Scenario 3 is the steady loss of young and skilled people from less dynamic regions to metropolitan areas or abroad, often without return. This outmigration strips local economies of human capital, discourages investment, and accelerates demographic ageing. The **Circular Mobility and Regional Talent Retention** policy aims to turn this one-way flow into a two-way cycle: encouraging people, especially young adults, to gain skills and experience elsewhere while creating strong incentives and pathways for them to return and reinvest their knowledge in their home regions.

The concept rests on three pillars. First, outbound mobility is not discouraged but actively facilitated through scholarships, grants, and targeted placements that allow people to study or work abroad in sectors where their home region will need skills in the future. Second, structured return programmes provide tangible benefits for coming back, such as guaranteed job placements in local companies, seed funding for business start-ups, or housing and relocation support. Third, the attractiveness of local labour markets is actively improved by investing in infrastructure, cultural amenities, and public services, as well as by branding regions as desirable places to live and work. This could include campaigns to promote regional identity and the quality of life advantages of smaller communities.

The roadmap begins in 2025–2026 with a planning phase, during which national governments, regional authorities, and local employers identify target groups, sectors, and partnership regions abroad. This phase should also align with EU-level schemes like Erasmus+ for study mobility and EURES for cross-border job matching. Between 2027 and 2029, pilot circular mobility schemes would be launched in selected stagnating regions, pairing outbound placements with structured return agreements and reintegration support. Monitoring of these pilot flows would take place from 2028 to 2035, allowing time to measure retention rates, skill transfer, and the broader regional impacts. By 2035, the policy should be embedded into formal regional development strategies, with incentives and return channels becoming part of long-term planning. By 2040, the goal is to stabilise or even reverse net population loss in participating regions, broaden the local skill base, and restore demographic balance, creating more resilient and self-sustaining regional economies even without rapid technological or global growth drivers.

Policy recommendation on welfare state

Scenario 3's ageing population and weak fiscal capacity mean that expanding centralised, resource-intensive welfare provision is not realistic. Yet the social needs are acute: care gaps in

both childcare and eldercare place heavy burdens on working-age adults, particularly women, who may reduce their labour market participation to meet family responsibilities. The **Community-Based Care and Gender Equality Activation** policy addresses these issues by mobilising local resources — especially the skills and availability of older citizens — to deliver care in ways that strengthen communities and advance gender equality.

The model builds on the idea of "second careers" for older adults, particularly those leaving physically demanding or declining occupations who are still able and willing to contribute. These individuals would be offered lifelong learning programmes to retrain as childcare providers, teaching assistants, elder companions, or community health supporters. Training would be modular and locally delivered, combining formal instruction with practical placements. Small stipends, social recognition, and flexible hours would make participation attractive without straining public budgets.

Care provision would operate within public–civil partnerships, with local governments supplying infrastructure such as schools, community centres, and care hubs, and civil society organisations — including cooperatives, volunteer associations, and NGOs — organising and managing services. This model ensures adaptability to local needs and resources, while fostering trust and participation. At the same time, education systems would integrate early interventions to challenge gender stereotypes, ensuring that boys and girls grow up with equal expectations of participating in both paid work and care responsibilities. Teacher training, curriculum reform, and public awareness campaigns would reinforce this cultural shift.

The roadmap begins between 2025 and 2028 with baseline mapping of regional care deficits, available community assets, and potential pools of older workers for retraining. Pilot projects in selected rural and small-town areas would test training curricula, service delivery models, and incentive structures. By 2030, the most effective models could be scaled up into regional care strategies, formalising partnerships and integrating them into welfare planning. From 2030 to 2040, continuous evaluation would track outcomes such as female labour force participation, the wellbeing of older volunteers, and the accessibility and quality of care. The aim by 2040 is a network of inclusive, intergenerational communities where care is both a shared social responsibility and a source of meaningful engagement for older citizens, gender equality in the labour market is substantially improved, and welfare provision is more sustainable and locally rooted.

Scenario 3 requires policies that are pragmatic, locally grounded, and socially cohesive. The **Circular Mobility and Regional Talent Retention** strategy tackles economic and demographic stagnation by making mobility a two-way exchange rather than a permanent drain, while the **Community-Based Care and Gender Equality Activation** policy transforms community resources into a sustainable care infrastructure that lifts barriers to women's participation in the workforce. Together, they provide a pathway for regions to remain vibrant and inclusive even in a Europe with slow technological change, mild climate ambition, and limited global integration.

→ SCENARIO 4

Policy recommendation on labour market

The defining labour market challenge in Scenario 4 is the growing disconnect between the skills currently available in the workforce and the competencies needed for an emerging green econ-

omy that is advancing without the boost of transformative technological innovation. Firms cannot rely on rapid tech upgrades to improve productivity or job quality, and deglobalisation constrains their capacity to import specialised skills. This shifts the burden of adaptation heavily onto the labour force. Without intervention, skills mismatches will intensify, and many workers will be trapped in insecure, low-quality employment.

The **Academia–Industry Competence Pact** is conceived as a structural, long-term partnership between higher education institutions, national accreditation agencies, and employers to re-engineer education and training systems for the green and fair economy. Its primary goal is to systematically integrate sustainability principles, digital literacy, and collaborative problem-solving into the core curricula of universities, vocational schools, and professional training centres. These are not to be treated as optional modules or specialisations, but as baseline competencies for all fields of study.

The first stage of the policy, starting in 2025, focuses on mobilising stakeholders through national education councils and EU-level forums to agree on a shared competence framework. Accreditation bodies — such as Slovenia's NAKVIS or France's HCERES — will play a critical role, acting as gatekeepers by making demonstrated competence in green and digital skills a condition for programme approval and renewal. Between 2026 and 2028, all higher education and vocational institutions would conduct curriculum mapping to identify gaps between current provision and the agreed competence framework. This process will draw on labour market intelligence systems, employer surveys, and sectoral foresight studies, with special focus on industries facing imminent transformation due to climate regulation, such as automotive manufacturing, logistics, construction, and energy.

By 2028, reform of accreditation processes at both national and EU levels would be complete, embedding the new competence requirements into all programme validations. In parallel, "training cluster" models would be launched, bringing together large firms, universities, and public training providers to offer affordable, context-specific upskilling for small and medium-sized enterprises (SMEs). SMEs, which often lack the resources to develop their own training infrastructure, would be able to send workers to cluster-run courses, ensuring a wider diffusion of skills without duplicating costs. EU funding instruments — notably the European Social Fund Plus (ESF+) and the Just Transition Fund — would support these partnerships, ensuring that even regions with limited fiscal capacity can participate.

From 2030 to 2035, the Pact would enter its full implementation phase, with reformed curricula rolled out across tertiary and vocational systems, accreditation requirements fully operational, and training clusters established in all Member States. By 2040, the policy is expected to produce a workforce with competencies better aligned to the ecological and economic needs of the time, reduce the degree of job polarisation, and strengthen the capacity of the labour market to absorb workers displaced by climate-related economic restructuring.

Policy recommendation on welfare state

In Scenario 4, fiscal resources are constrained by slow growth, reduced global economic integration, and an eroded tax base due to high levels of precarious employment. In such a context, relying solely on redistributive cash transfers to maintain social stability becomes increasingly difficult. The **Decommodification of Essential Services** approach shifts the welfare state from

a model of compensating income loss to one of guaranteeing structural security by making key goods and services available outside the market. This reduces the dependence of well-being on volatile labour market income and shields households from economic shocks.

The proposed policy centres on the creation of **Local Public Goods Compacts** — legally and financially empowered municipal frameworks to provide affordable, high-quality housing, childcare, education, and public transport as rights-based provisions. Drawing inspiration from successful examples like Vienna's public housing and childcare systems, these compacts would operate under the principle that access to essential services is a universal entitlement, not a residual safety net for the poor.

Implementation would begin in 2025–2026 with enabling legislation at national and EU levels, granting municipalities the regulatory autonomy and fiscal capacity to develop and manage such services. Standards for service quality, affordability, and environmental performance would be defined in an EU framework, ensuring that local provision aligns with broader social and climate objectives. Between 2027 and 2030, pilot projects would be launched in a diverse set of municipalities — urban, peri-urban, and rural — to test different models of provision, financing, and governance. These pilots might include the construction of mixed-income, energy-efficient public housing; the establishment of subsidised childcare centres powered by renewable energy; or the expansion of zero-fare public transport networks integrated with green urban planning.

Funding would come from a combination of EU cohesion funds, the Green Deal Industrial Plan, and municipal revenues, with clear conditions to maintain affordability and universality. Partnerships with community-based organisations and social enterprises would be encouraged, but public authorities would retain primary responsibility for provision to prevent service quality erosion through outsourcing.

From 2030 to 2040, successful pilot models would be scaled up nationwide, with periodic evaluations to track indicators such as housing affordability, childcare access rates, public transport usage, and household cost-of-living resilience. By 2040, the aim is to have substantially reduced the dependence of well-being on labour market income, cushioned households from the instability of gig and platform work, and advanced ecological sustainability through the integration of green infrastructure into essential services.

Scenario 4 requires pragmatic yet transformative thinking. **The Academia–Industry Competence Pact for a Green and Fair Economy** addresses the skills gap in a labour market constrained by slow technological diffusion and deglobalisation, ensuring that both new entrants and existing workers are equipped for the green transition. The **Decommodification of Essential Services through Local Public Goods Compacts** tackles welfare fragility by ensuring universal access to essential goods and services, thereby reducing vulnerability to precarious employment.

Together, these policies provide a pathway to resilience under economic and ecological constraint — not by attempting to recreate past models of growth and security, but by building new systems of capability and provision that are less dependent on volatile markets and better aligned with the imperatives of social justice and climate stability.

3.3.4. SUMMARIES OF THE POLICY RECOMMENDATIONS

Table 4. Policy–challenge summary

Scenario	Policy	Challenges addressed	Expected Impact by 2040
1 – High Globalisation, Strong Climate Policy, Rapid Technological Change	Inclusive Transition Programme (Labour Market)	Rapid displacement of workers due to green and digital transitions; skills mismatch between emerging sectors and existing workforce; risk of structural unemployment; uneven regional development and risk of economic decline in carbon-intensive areas; marginalisation of low-skilled, older, migrant, and refugee workers; lack of integrated lifelong learning systems.	Increased employment in green/tech sectors; reduced structural unemployment; improved job quality; more balanced regional labour markets; higher workforce adaptability.
	European Transition Support Mechanism (Welfare State)	Income insecurity during transitions from declining to growing sectors; fragmentation and uneven capacity of national welfare systems; rising long-term unemployment; lack of linkage between income support and active reskilling; social exclusion risks for vulnerable groups; fiscal pressures on national budgets without EU-level solidarity.	Lower long-term unemployment; improved reintegration into labour market; greater EU solidarity in transition management; more adaptable welfare systems; better targeting of support.
2 – Low Globalisation, Mild Climate Policy, Rapid Technological Change	Mandatory Collective Bargaining in Manufacturing (Labour Market)	Job polarisation and erosion of working conditions in high-tech local manufacturing; concentration of economic gains among elite tech owners; weakened bargaining power of workers; automation hollowing out mid-skill jobs; risk of income inequality deepening in protectionist economies; absence of wage-setting institutions in emerging industries.	Reduced job quality polarisation; fairer income distribution; stronger worker voice in emerging sectors; improved working conditions; more balanced economic gains from technological change.
	Education Reform for Inclusive Technological Access (Welfare State)	Unequal access to high-quality education and digital competencies; low upward mobility for disadvantaged groups; growing skills gap in a tech-driven economy; declining fiscal capacity for redistribution; regional disparities in educational outcomes; limited preparedness for AI and automation impacts.	Increased upward mobility; broader participation in tech-driven growth; reduced educational inequality; more inclusive skills pipeline; improved readiness for AI/automation impacts.
3 – Weak Globalisation, Mild Climate Policy, Slow Technological Change	Circular Mobility and Regional Talent Retention (Labour Market)	Regional economic stagnation; brain drain of young talent; lack of incentives for skilled workers to return; unattractive local job markets; ageing populations in economically lagging areas; limited innovation and inward investment.	Revitalised regional economies; balanced demographic profiles; stronger local labour markets; greater retention of skilled workers; improved regional resilience.
	Community-Based Care and Gender Equality Activation (Welfare State)	Care infrastructure deficits, especially in rural/lagging regions; low female labour force participation; entrenched gender stereotypes; underutilisation of older adults' skills; weak intergenerational solidarity; constrained public budgets for centralised welfare provision.	Increased female labour participation; improved care access; revitalised ageing populations; stronger social cohesion; enhanced gender equality.
4 – Low Globalisation, Strict Greening, Slow Technological Change	Academia–Industry Competence Pact for a Green and Fair Economy (Labour Market)	Misalignment between workforce skills and green economy needs; slow technology diffusion; limited firm capacity to improve productivity; insufficient SME training capacity; job polarisation with many stuck in low-quality, insecure work; lack of structured education–industry cooperation on skills.	Better alignment of skills with ecological-economic needs; reduced job polarisation; higher employability of graduates; improved SME workforce capacity; stronger industry–education links.
	Decommodification of Essential Services through Local Public Goods Compacts (Welfare State)	Welfare fragility under fiscal constraint; high dependence of well-being on unstable labour market income; inability to sustain social cohesion through monetary transfers alone; rising costs of housing, childcare, and transport; vulnerability of low-income groups to economic shocks; risk of unequal access to essential services.	Universal access to affordable, quality housing, childcare, and transport; reduced vulnerability to labour market instability; stronger community resilience; integration of green infrastructure into public services.

3.4. INSIGHTS FROM THE SECOND DELPHI-LIKE SURVEY

The second Delphi-like survey, conducted online between June 23 and August 15 2025, aimed to gather expert insights on the policy recommendations developed during the second foresight workshop. A total of 26 participants completed the survey in full (12 women and 14 men). The survey played a key role in validating the two policies per scenario, ensuring that diverse perspectives were considered in refining the recommendations. Each participant was invited to answer questions about at least two scenarios, randomly assigned.

Figure 22. Primary institutional affiliation of the survey's respondents

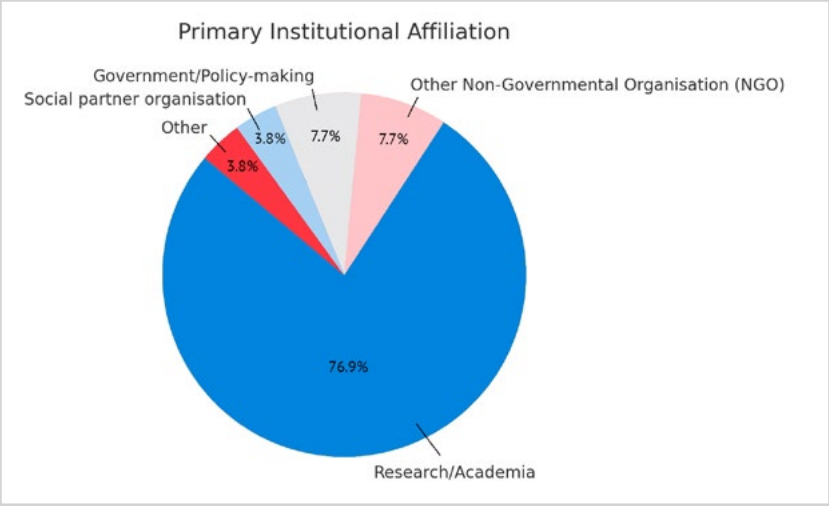


Figure 22 illustrates the institutional affiliation of participants in the second-round Delphi-like survey. A clear majority of respondents come from research and academia (76.9%), highlighting the strong representation of the scientific and academic community in the process. Smaller shares are distributed among government and policy-making (7.7%), non-governmental organisations (7.7%), and social partner organisations (3.8%), with an additional 3.8% identifying as "other." This distribution underscores the predominance of academic expertise in the survey while still ensuring input from policy, civil society, and other stakeholder groups.

Figure 23. Number of years of experience in the field

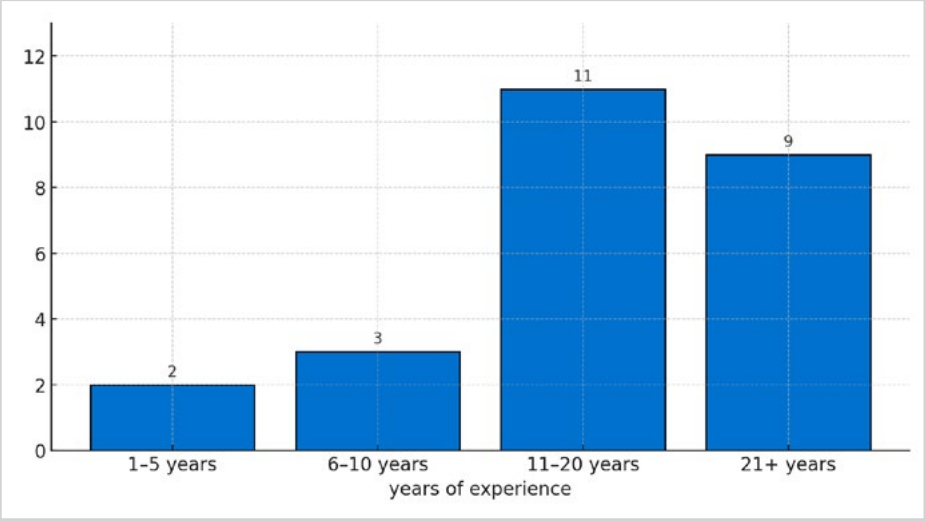
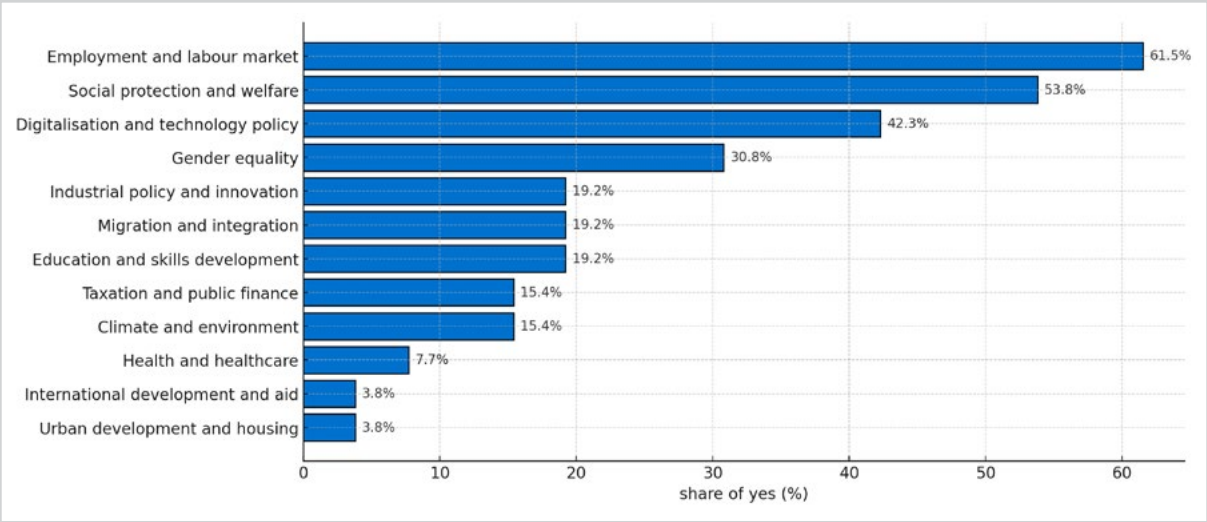


Figure 23 presents the distribution of respondents by years of experience in the field of labour market, welfare state policy, or related research. The largest group has 11–20 years of experience (11 respondents), followed closely by those with over 21 years (9 respondents), highlighting the strong presence of highly experienced experts in the survey. Smaller shares are represented by respondents with 6–10 years (3 respondents) and 1–5 years (2 respondents) of experience. Overall, the sample is characterised by substantial professional expertise, with the majority having more than a decade of experience in the field.

Figure 24. Fields of expertise



Survey participants brought a wide range of expertise to the exercise (see Figure 24), with particularly strong representation in areas central to the WeLaR project's focus. The most common fields of work were employment and labour market (61.5%) and social protection and welfare (53.8%), underscoring the survey's strong alignment with the project's thematic priorities. Substantial shares of respondents also reported working on digitalisation and technology policy (42.3%) and gender equality (30.8%), while smaller but noteworthy proportions engaged with industrial policy and innovation, migration and integration, and education and skills development (each 19.2%). Other areas such as taxation and public finance and climate and environment (15.4% each), as well as health and healthcare (7.7%), were less frequently represented, and only a small minority reported working on international development and aid or urban development and housing (3.8% each). This distribution demonstrates that, while respondents' expertise spans a broad set of policy domains, it is especially concentrated in those most relevant to the project's objectives.

3.4.1. KEY FINDINGS PER SCENARIO

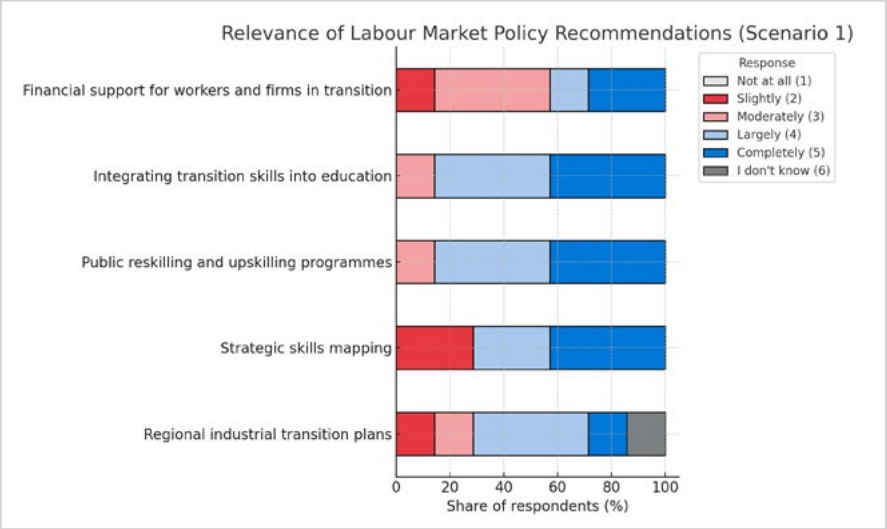
→ SCENARIO 1

Labour market policy recommendation – Inclusive transition programme

The programme aims to ensure fair job-to-job transitions in the context of green and digital transformations. It combines regional industrial transition planning, skills mapping, large-scale reskilling and upskilling, education reform, and targeted financial support for workers and firms. These measures seek to anticipate labour market shifts, provide inclusive access to training and em-

ployment opportunities, and strengthen resilience in vulnerable regions and sectors. Implemented jointly by EU institutions, national governments, social partners, and education providers, the programme is expected to reduce structural unemployment, expand green and technology-related jobs, and improve job quality by 2040, with initial mapping starting in 2025 and training scaled up from 2026 onwards.

Figure 25. Relevance of Scenario 1 labour market policy recommendation



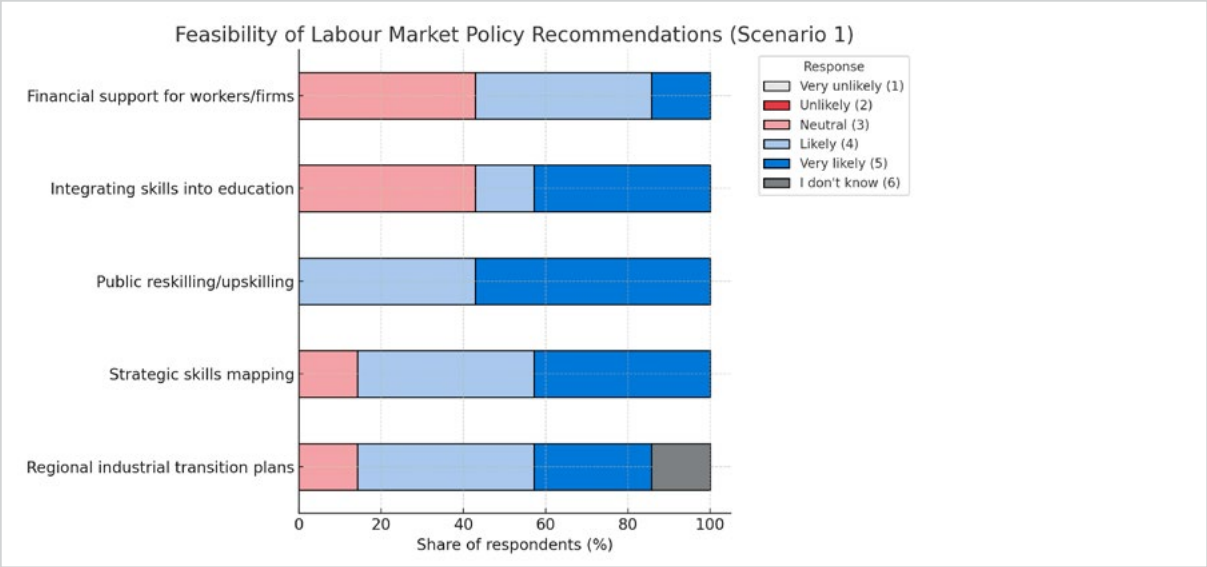
The results indicate that survey participants broadly considered the proposed labour market policy measures to be relevant for addressing the challenges outlined in Scenario 1 (Figure 25). For most recommendations, the majority of respondents placed their answers in the categories *largely* or *completely relevant*, showing confidence in the importance of these measures. For instance, both public reskilling and upskilling programmes and integrating transition skills into education received strong backing, with more than 70% of respondents rating them as either largely or completely relevant. This reflects a clear recognition that long-term workforce adaptability will be central to managing the dual pressures of digitalisation and climate transition.

Similarly, strategic skills mapping was viewed very positively, with around two-thirds of respondents placing it in the top two categories. This underscores the value attached to systematic monitoring of emerging skill needs and the importance of early-warning systems to help anticipate and address labour market mismatches. By contrast, regional industrial transition plans received a more mixed response. While half of respondents still considered them largely or completely relevant, a small share selected only “slightly” or “moderately relevant,” and some indicated uncertainty. This suggests that while such plans are recognised as useful, their effectiveness may depend heavily on local conditions, governance capacity, and the ability to align different actors.

The most divided opinions were found in relation to financial support for workers and firms in transition. Roughly half of respondents considered these measures largely or completely relevant, but a sizeable proportion rated them only moderately or slightly relevant. This indicates some hesitation about the role of financial instruments, possibly linked to concerns about their cost-effectiveness or long-term sustainability. Taken together, the results suggest strong consensus around the centrality of skills-related policies in managing labour market transitions, while financial and industrial support measures are seen as necessary but more context-dependent tools that may require careful design and adaptation to specific national or regional circumstances.

Additional reflections, provided in response to an open question, emphasised that public policies should remain pragmatic and focused on supporting vulnerable groups, while also ensuring that emerging technologies such as generative AI are regulated to avoid discrimination and accompanied by training that empowers rather than displaces workers. Some participants expressed doubts about the robustness of skills mapping, suggesting that continuous dialogue among stakeholders might be a more effective approach. Others highlighted the need to make STEM promotion more concrete, with specific initiatives such as scholarships, competitions, or school-based activities. Finally, it was noted that mapping should also capture individuals' aspirations and interests, which may not align with labour market trends, in order to better understand societal dynamics and design more inclusive solutions.

Figure 26. Feasibility of Scenario 1 labour market policy recommendation



Overall, respondents expressed confidence that most of the proposed labour market policies could realistically be implemented by 2040, despite potential political, institutional, and financial constraints (Figure 26). The highest levels of feasibility were associated with public reskilling and upskilling programmes, where a strong majority rated them as likely or very likely. Similarly, strategic skills mapping and integrating transition skills into education were also seen as broadly feasible, with most responses concentrated in the positive categories.:

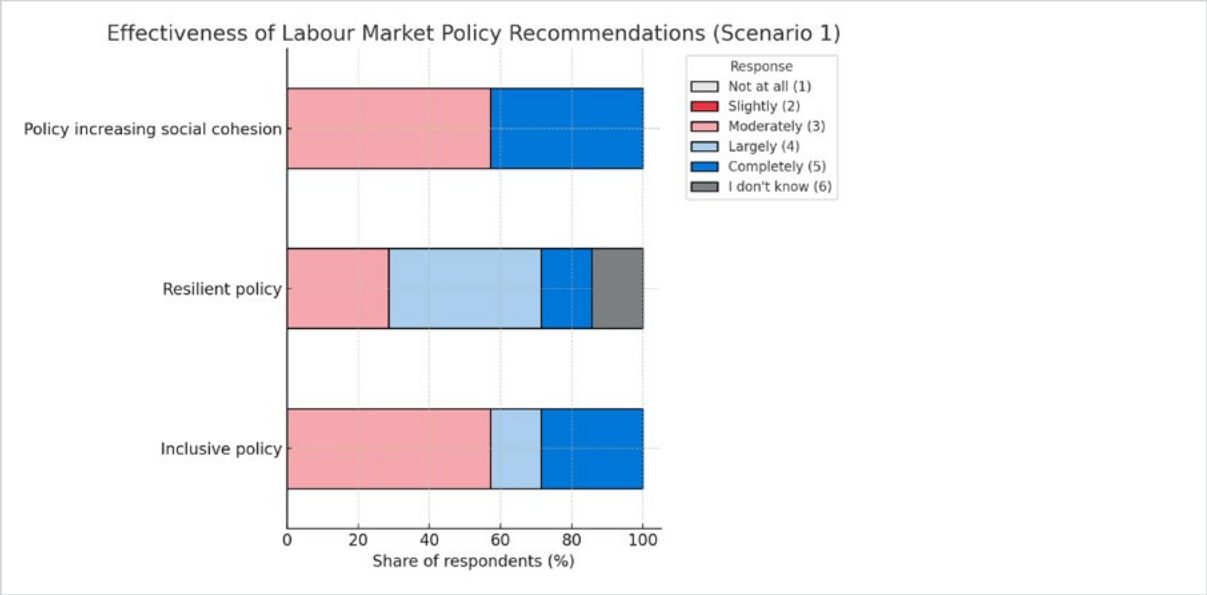
By contrast, regional industrial transition plans received slightly more mixed responses. While most participants considered them feasible, there were a few neutral assessments and some uncertainty (I don't know). This suggests that while such plans are recognised as valuable, their successful implementation may depend on governance capacity and effective coordination between different actors at EU, national, and regional levels. Financial support for workers and firms in transition was also judged feasible by a majority, but a higher share of neutral responses indicates some caution, likely reflecting concerns about the sustainability of funding mechanisms or the political will to prioritise such measures.

Taken together, the results suggest that skills-focused interventions—whether through reskilling programmes, skills mapping, or education reform—are seen as the most straightforward to deliver. Meanwhile, structural and financial instruments, though still considered feasible, are viewed with a degree of uncertainty. This highlights both the political salience and the practical challeng-

es of translating ambitious labour market policies into reality, particularly when they require long-term funding commitments and multi-level coordination.

Additional reflections from respondents stressed concerns about the feasibility of certain measures. Some highlighted that policies involving substantial costs are less likely to be implemented, particularly given the strain on public finances envisaged in this scenario. Others noted that while some measures are already visible in practice, direct financial support for workers and firms may be difficult to sustain over the long term. A further challenge identified relates to education reform: recruiting qualified teachers for computer science and STEM subjects is already a major difficulty in many countries, especially in rural areas, raising doubts about the practicality of scaling up digital and green skills education.

Figure 27. Effectiveness of Scenario 1 labour market policy recommendation



The results show a generally positive perception of the potential effectiveness of the Inclusive Transition Programme, although the degree of confidence varies across the three dimensions assessed (Figure 27). In terms of inclusiveness, a majority of respondents judged the programme to be either moderately or completely effective, with relatively few considering it only marginally impactful. This reflects broad agreement that measures designed to promote inclusivity are key levers to address the challenges of labour market transformation and to ensure fair access to opportunities.

When evaluated for its ability to strengthen resilience, the programme also received favourable assessments. Most respondents viewed it as largely or completely effective, though a smaller share rated it only moderately effective or expressed some uncertainty. These findings suggest confidence that resilience-building measures can help societies absorb shocks and adapt to labour market disruptions, while also acknowledging that outcomes will depend on institutional capacity and sustained financial support.

By contrast, views on the programme's capacity to increase social cohesion were somewhat more divided. While several respondents considered it completely effective, others saw its impact as only moderate, highlighting uncertainty over how far such policies can directly strengthen

social bonds in practice. Taken together, the findings indicate strong support for the Inclusive Transition Programme's inclusiveness and resilience dimensions, while its contribution to social cohesion is acknowledged but seen as more dependent on how policies are implemented in specific contexts.

Additional reflections emphasised the need for greater precision and follow-up in policy design. Respondents noted that while the proposed measures should contribute to achieving the stated goals, systematic evaluation would be necessary to assess their actual impact. Some argued that policies to promote inclusiveness and social cohesion need to be more specific, going beyond broad principles. Others stressed that increasing social cohesion requires developing additional measures tailored to people's concrete needs and aspirations.

Overall assessment of Scenario 1 labour market policy recommendation

The Inclusive Transition Programme is widely seen as a relevant and feasible response to the challenges of digital and green transformations. Respondents strongly endorsed skills-focused measures—reskilling, upskilling, education reform, and skills mapping—as central to long-term workforce adaptability, while views on industrial transition plans and financial support were more cautious, reflecting concerns about governance, costs, and sustainability.

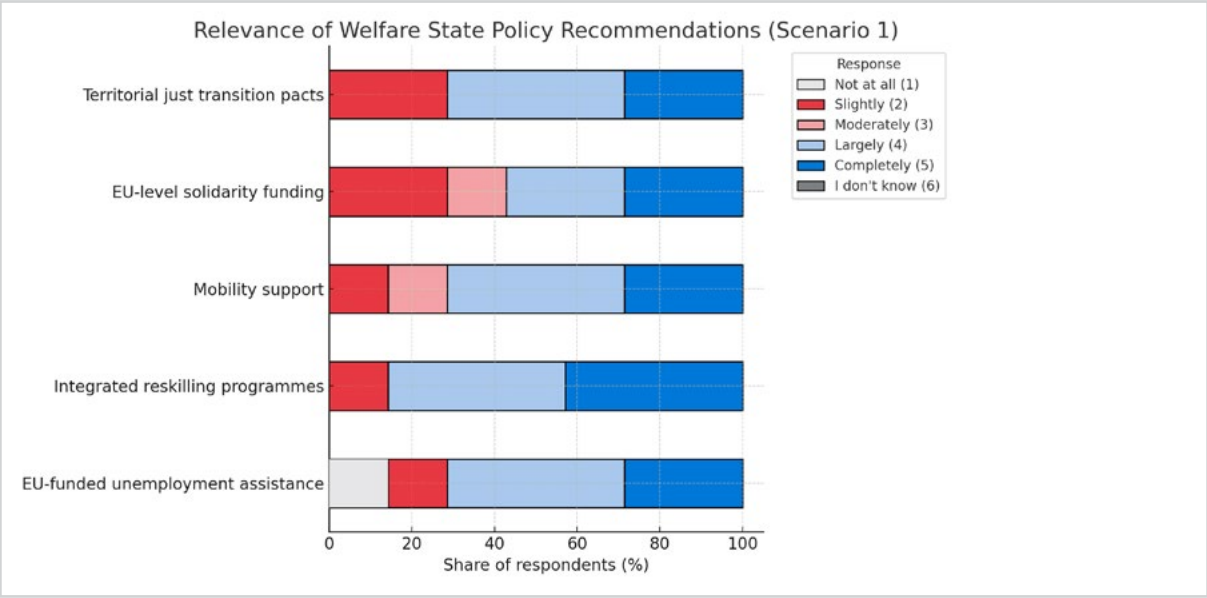
On feasibility, most measures were considered likely to be implemented by 2040, especially training and education initiatives, though financial constraints and shortages of qualified teachers may limit progress. Effectiveness was judged strongest in terms of inclusiveness and resilience, while the potential to increase social cohesion received more mixed assessments.

Additional reflections stressed the need for more targeted and pragmatic approaches, such as counselling centres for career and re-skilling advice, concrete STEM promotion initiatives, and continuous dialogue with stakeholders. Overall, the programme is recognised as a strong foundation for labour market adaptation, but its success will depend on careful design, monitoring, and long-term political and financial commitment.

Welfare state policy recommendation – EU Transition Support Mechanism

The EU Transition Support Mechanism aims to help unemployed workers move from declining to growing sectors. It combines temporary unemployment assistance, reskilling programmes, and mobility support, alongside solidarity funding and territorial pacts co-designed with regional actors. Implemented jointly by EU institutions, member states, and social partners, the policy seeks to reduce long-term unemployment and strengthen workforce adaptability, with pilots planned from 2027 and full rollout by 2030–2040.

Figure 28. Relevance of Scenario 1 welfare state policy recommendation



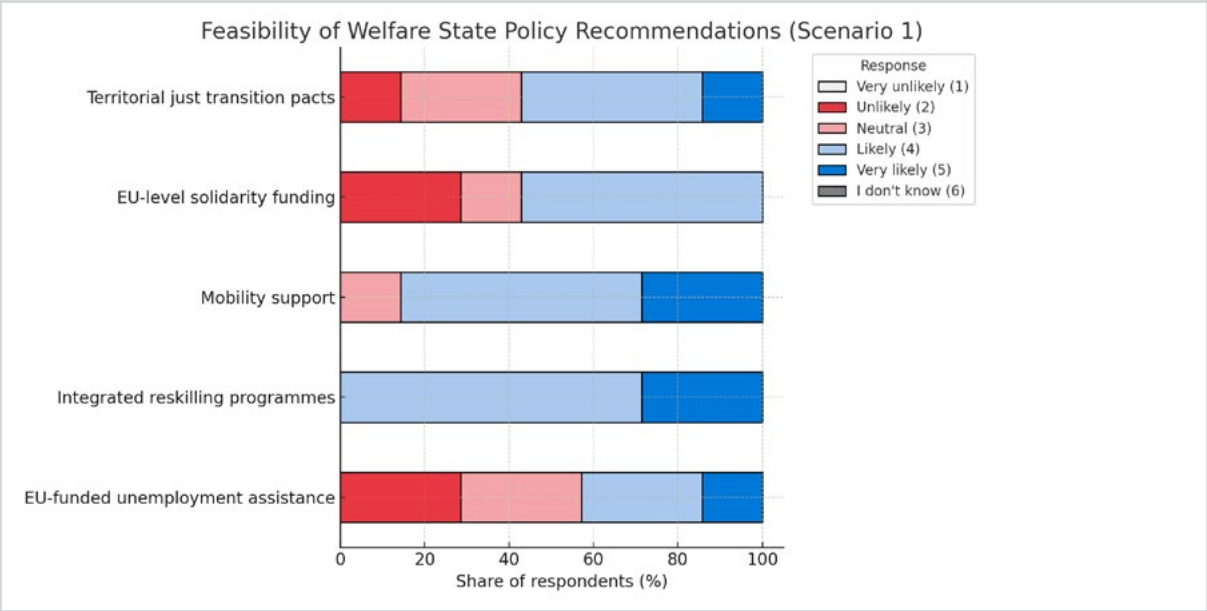
Overall, respondents considered the proposed welfare state measures to be highly relevant for addressing future challenges (Figure 28). Integrated reskilling programmes emerged as the most strongly endorsed, with all participants rating them as either largely or completely relevant. This reflects the strong recognition that equipping workers with future-proof skills is a cornerstone of welfare adaptation in the face of technological change and climate transition.

Other measures, such as EU-funded unemployment assistance and mobility support, also received broad support, though with a slightly wider spread of responses, including a few participants who rated them only slightly or not relevant. These differences suggest that while such measures are seen as important in principle, their precise design and implementation conditions (e.g. financing, duration, and accessibility) may shape perceptions of their value.

By contrast, EU-level solidarity funding and territorial just transition pacts attracted more mixed views. While a majority still rated them positively, a notable share of respondents expressed only moderate or slight relevance, indicating concerns about the feasibility and fairness of redistributing resources across regions and member states. Taken together, these results highlight strong agreement on the importance of skill-related measures, while more structural and redistributive approaches remain seen as necessary but potentially contentious.

Additional reflections highlighted both strong support and reservations. Several respondents stressed that the proposed welfare state policies are clearly needed to manage the social impacts of transition. However, concerns were also raised about the effectiveness of external assistance, with some doubting the quality of publicly funded reskilling programmes based on past experience. Others questioned the sustainability and fairness of EU-level solidarity schemes, particularly if economic and social disparities between Member States become too wide.

Figure 29. Feasibility of Scenario 1 welfare state policy recommendation

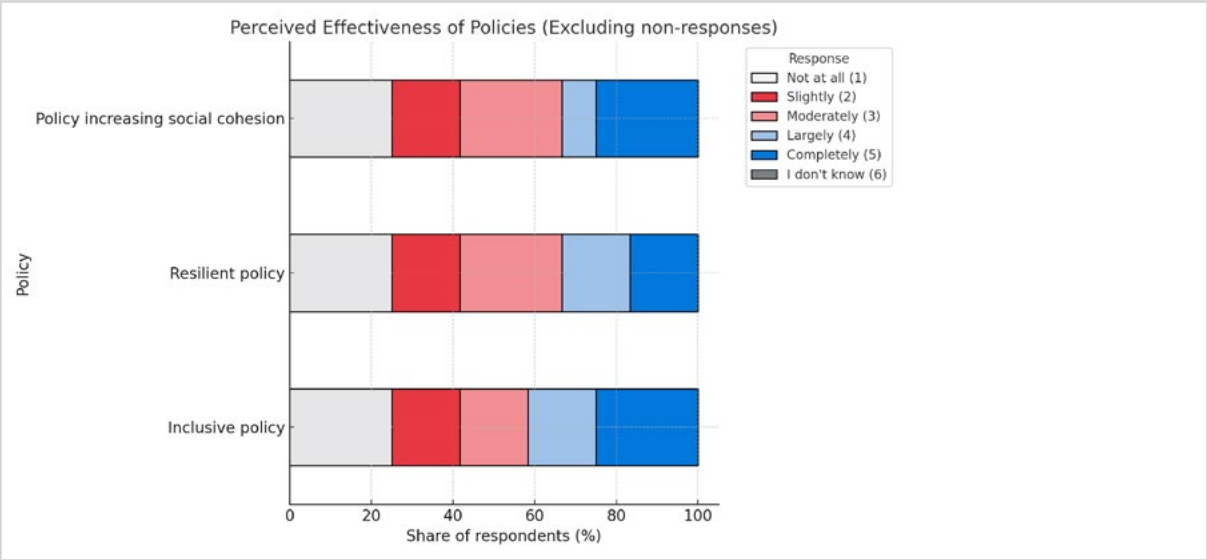


The results highlight varying perceptions of the feasibility of implementing the proposed welfare state policy recommendations by 2040 (Figure 29). EU-funded, time-limited unemployment assistance received mixed evaluations, with respondents distributed fairly evenly across the neutral, unlikely, and likely categories. This indicates both recognition of the measure's potential usefulness and concern about political or financial constraints that may limit its practical implementation.

By contrast, integrated reskilling programmes and mobility support were assessed as the most feasible options, with a clear majority of respondents rating them as either likely or very likely to be implemented. These findings suggest that policies closely linked to education, training, and worker mobility are perceived as realistic, especially when they build on existing frameworks and partnerships between EU institutions, national providers, and industry stakeholders.

EU-level solidarity funding and territorial just transition pacts also scored relatively well, though responses were somewhat more dispersed, reflecting doubts about their financial and political sustainability in the long term. While many respondents saw them as feasible, others pointed to challenges related to collective EU financing and balancing regional differences. Overall, the responses suggest that policies which rely on established structures and incremental adjustments are perceived as most feasible, while those involving significant cross-EU redistribution face greater scepticism.

Figure 30. Effectiveness of Scenario 1 welfare state policy recommendation



The survey results (Figure 30) indicate that respondents generally view the EU Transition Support Mechanism as a relevant policy tool for addressing the challenges of Scenario 1, particularly in terms of inclusiveness. Around 36% considered the mechanism "completely" effective and a further 27% rated it "largely" effective, while 18% assessed it as only "moderately" effective and 18% as "slightly" or "not at all" effective. This suggests that while participants recognised the mechanism's potential to support vulnerable groups and ensure fair transitions, there remains some caution about its ability to fully deliver on the ambitious goal of inclusive labour market adjustment in practice.

When assessed for its resilience-building capacity, the mechanism received more mixed responses. Approximately 27% rated it "completely" effective and 18% "largely" effective, but 36% judged it as only "moderately" effective, with the remaining 18% giving it a slight or negative rating. This reflects some scepticism about whether the mechanism can effectively withstand the financial and institutional pressures associated with large-scale transitions. While the framework is valued, doubts remain over the long-term sustainability of resilience strategies under fiscal constraints. Additional suggestions from respondents emphasised the importance of establishing counselling centres to complement the policy, providing career advice, re-skilling guidance, and psychological support for individuals in transition.

The mechanism was also evaluated for its role in increasing social cohesion, where responses leaned more positively. Around 36% of respondents judged it "completely" effective, with a further 9% considering it "largely" effective. At the same time, 27% rated it as "moderately" effective and 27% as "slightly" or "not at all" effective. This indicates confidence in the mechanism's potential to strengthen solidarity and trust during periods of disruption, but also a recognition that more targeted measures, adapted to citizens' specific needs and aspirations, are necessary for cohesion to be fully achieved.

Overall assessment of Scenario 1 welfare state policy recommendation

The EU Transition Support Mechanism is broadly recognised as highly relevant for managing the social impacts of green and digital transitions, particularly through integrated reskilling programmes, which received unanimous support. Other measures, such as unemployment assis-

tance and mobility support, were also well regarded but with some concerns about design and accessibility. By contrast, EU-level solidarity funding and territorial pacts attracted more mixed views, reflecting worries about the feasibility and fairness of cross-country redistribution.

On feasibility, reskilling and mobility measures were considered the most realistic, benefiting from existing institutional structures and partnerships. Meanwhile, solidarity funding and territorial pacts were seen as possible but politically and financially challenging, while unemployment assistance received the most cautious evaluations due to concerns over fiscal strain and political will. This suggests that incremental, skills-oriented approaches are considered more implementable than large-scale redistributive mechanisms.

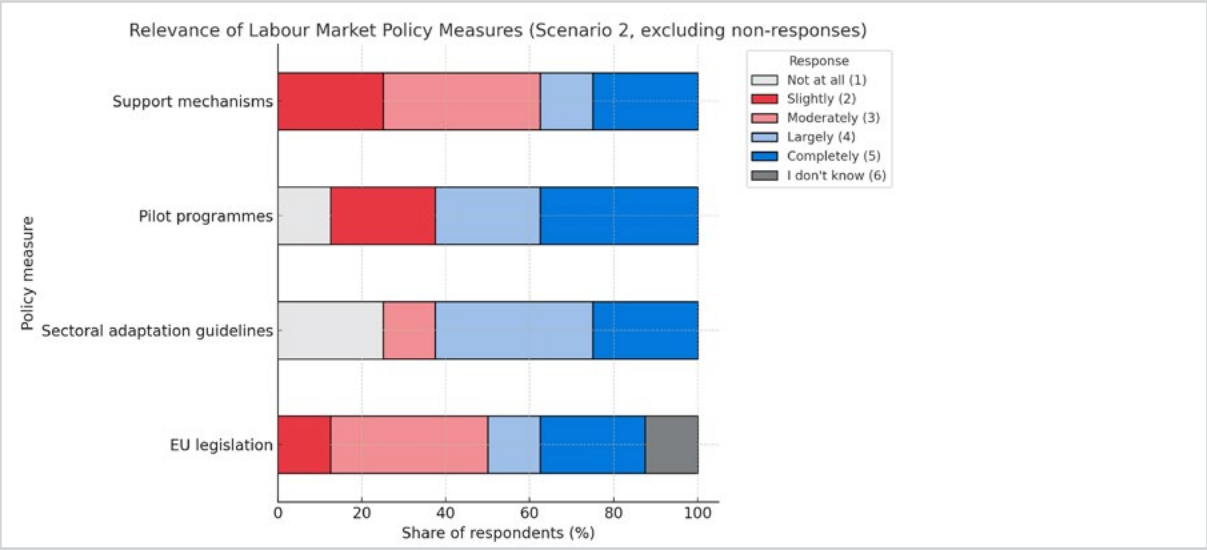
In terms of effectiveness, respondents judged the mechanism strongest on inclusiveness, where most believed it could support vulnerable groups and enable fairer transitions. Views on resilience were more cautious, with many doubting its ability to withstand fiscal and institutional pressures over time. On social cohesion, responses were mixed but leaned positive, with some highlighting its potential to strengthen solidarity while others stressed the need for more targeted, citizen-focused measures. Additional reflections emphasised the importance of counselling centres for career guidance, re-skilling advice, and psychological support.

→ SCENARIO 2

Labour market policy recommendation – Mandatory collective bargaining in manufacturing

The proposed Labour Market Policy on Mandatory Collective Bargaining in Manufacturing seeks to reduce job polarisation and improve working conditions in high-tech industries by requiring collective bargaining structures in all publicly supported manufacturing projects. Backed by EU legislation, sectoral guidelines, pilot programmes (2028–2033), and support for trade unions and employers, the policy involves EU institutions, national governments, and social partners. Full enforcement is planned by 2040, with the expected impact of fairer income distribution and higher job quality.

Figure 31. Relevance of Scenario 2 labour market policy recommendation



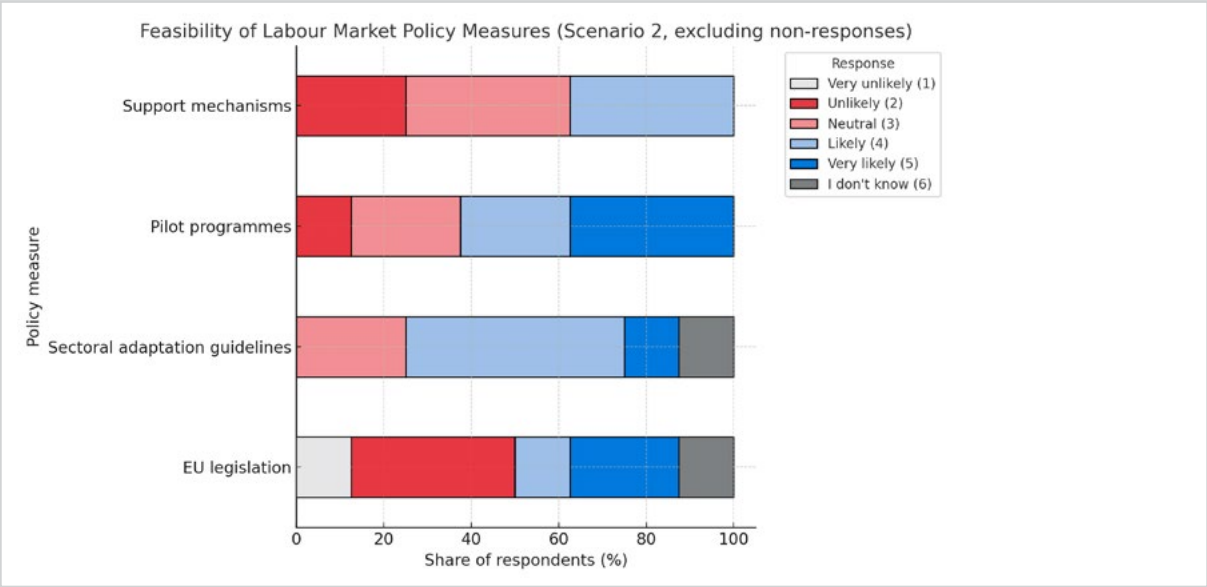
The survey results show that the perceived relevance of the four labour market actions within the Labour Market Policy on Mandatory Collective Bargaining in Manufacturing recommendation is mixed, but overall leans positively (Figure 31). EU legislation on mandatory collective bargaining received the most balanced spread, with nearly half of respondents judging it completely or largely relevant, while around half rated it as only moderately or less relevant. This indicates recognition of the importance of a binding EU framework, but also hesitation about its effectiveness in a fragmented context where EU-wide measures may face significant political and practical barriers.

By contrast, the sectoral adaptation guidelines and pilot programmes were seen more favourably, with strong shares rating them largely or completely relevant. Respondents highlighted that guidelines tailored to decentralised, AI-driven industries could provide much-needed flexibility in a heterogeneous manufacturing landscape, while pilot programmes allow experimentation and adjustment before broader implementation. The relatively high ratings for these measures suggest that incremental, context-sensitive approaches are considered more realistic and impactful under Scenario 2 than sweeping legislative initiatives.

Finally, the support mechanisms for trade unions and employers' organisations were also judged as valuable, though opinions were somewhat divided. Around half of respondents assessed them as moderately relevant, while a similar share rated them as largely or completely relevant. This balance reflects acknowledgement of the need to build institutional capacity for effective collective bargaining but also concerns about feasibility in a scenario marked by weakened revenues and strained welfare systems. Overall, the results suggest that while all four measures are considered relevant, respondents place greater confidence in adaptive, bottom-up mechanisms (guidelines, pilots, and capacity building) than in top-down EU legislation alone.

Survey participants added several reflections on the proposed measures, emphasising that in a world where global cooperation has declined, all potential policies must be deployed to tackle labour market challenges. Some expressed doubt about the EU's capacity and experience to lead this agenda, arguing instead for stimulating investment and reducing regulation in the short term. Others highlighted collective bargaining as the most relevant solution, since it would be binding for industry actors, though they also noted that support mechanisms would only be effective if trade unions held stronger roles across all countries—something seen as unlikely. By contrast, sectoral guidelines and pilot programmes were viewed as limited, as they focus primarily on policy-level actions rather than binding commitments. Participants further warned that while these measures may address within-sector polarisation, they would not resolve polarisation across sectors, which requires cross-sectoral bargaining and stronger public revenue frameworks, potentially through European-level initiatives such as wealth taxes, robot taxes, or levies on hyperscaling business models.

Figure 32. Feasibility of Scenario 2 labour market policy recommendation

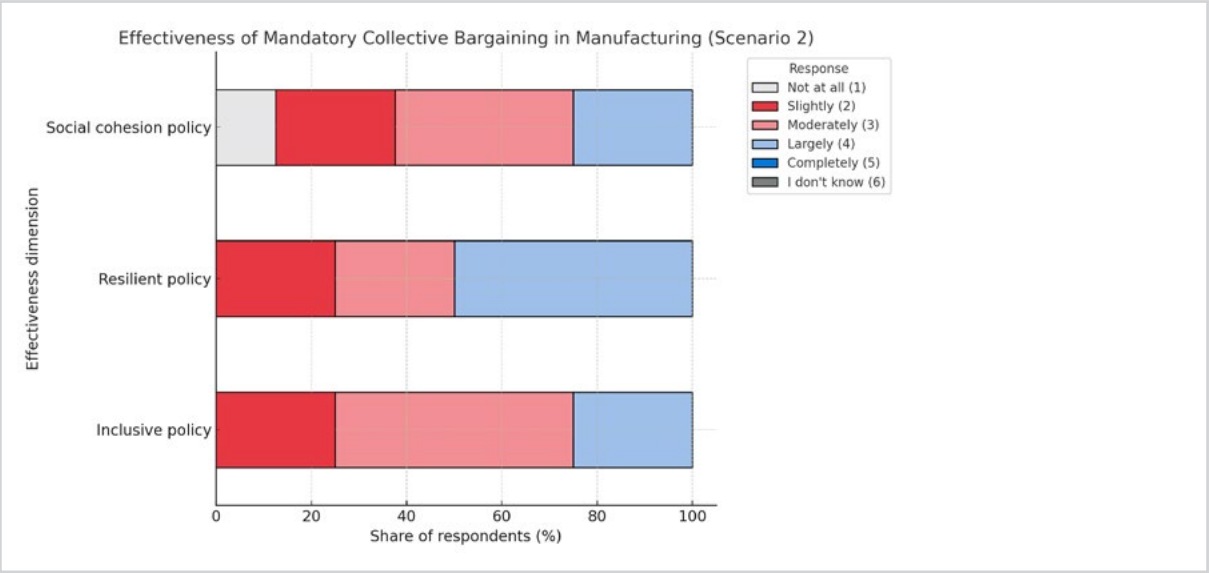


Overall, the results show that respondents were cautious about the feasibility of the proposed measures, though some options were seen as more realistic than others (Figure 32). EU legislation was viewed as the most challenging to implement, with a majority of respondents rating it as unlikely or only somewhat feasible. This reflects concerns about the EU's limited capacity to enforce binding labour market policies in a scenario marked by declining global cooperation and greater national self-reliance. While a minority still considered legislation likely or very likely, the results point to doubts over political and institutional buy-in across member states.

In contrast, sectoral adaptation guidelines and pilot programmes were rated more positively, with a larger share of respondents considering them likely or very likely to be implemented. Guidelines were valued for their flexibility and adaptability to local and industry-specific contexts, which aligns with the fragmented nature of Scenario 2. Similarly, pilot programmes were seen as practical and incremental, allowing experimentation without the political hurdles associated with binding EU-wide measures. These findings suggest that respondents favour softer, adaptive policy tools that can be tailored to local realities.

Support mechanisms received a mixed evaluation, reflecting both recognition of their usefulness and doubts about feasibility. Around half of respondents saw them as neutral or unlikely to be implemented, while others judged them likely. This ambivalence indicates that while capacity-building for trade unions and social partners is widely acknowledged as important, respondents were less confident that sufficient political or financial resources would be committed to make these mechanisms effective in practice. Taken together, the results highlight a hierarchy of feasibility: softer and incremental measures (guidelines, pilots) are seen as more realistic than ambitious top-down interventions (legislation or broad institutional support).

Figure 33. Effectiveness of Scenario 2 labour market policy recommendation



The inclusiveness dimension received mixed but cautious evaluations. A majority of respondents placed their answers in the *moderately* or *largely effective* categories, with no one rating it as *completely effective*. Around one-quarter considered it only *slightly effective*. This suggests that while mandatory collective bargaining is recognised as a tool that could help vulnerable groups in manufacturing adapt to technological change, there is scepticism about whether it would be sufficient on its own to address deeper structural inequalities in the labour market.

The resilience dimension was rated slightly more favourably. Respondents were most likely to consider it *largely effective*, with smaller shares selecting *moderately* or *slightly effective*. Again, no one rated it as *completely effective*. These results imply that while collective bargaining is expected to provide some stability and protection in a context of fragmented governance and automation pressures, doubts persist about its ability to withstand fiscal and institutional constraints without complementary policies.

The contribution to social cohesion was judged the least effective of the three dimensions. While some respondents believed the policy would be *moderately* or *largely effective*, a small share rated it as *not effective at all*, and no one saw it as *completely effective*. This reflects a perception that while workplace-level bargaining may address within-sector inequalities, it is unlikely to tackle broader divides between sectors or regions. In short, respondents see collective bargaining as a valuable but partial tool, capable of improving fairness in manufacturing but insufficient to fully deliver inclusion, resilience, and cohesion without cross-sectoral and systemic measures.

Overall assessment of Scenario 2 labour market policy recommendation

The proposed labour market policy on Mandatory Collective Bargaining in Manufacturing is recognised as a relevant and timely response to the challenges of Scenario 2, particularly in tackling job polarisation and improving working conditions in high-tech industries. Survey results reveal that respondents broadly see value in the four proposed measures, though with varying degrees of confidence. Binding EU legislation was judged important but politically difficult in a context of weakened global cooperation and fragmented governance. By contrast, sectoral adaptation

guidelines and pilot programmes were seen as more realistic and impactful, as they allow flexible, context-sensitive approaches that can adapt to diverse national and sectoral conditions. Support mechanisms for trade unions and employers also received recognition, though doubts remain about their feasibility in practice.

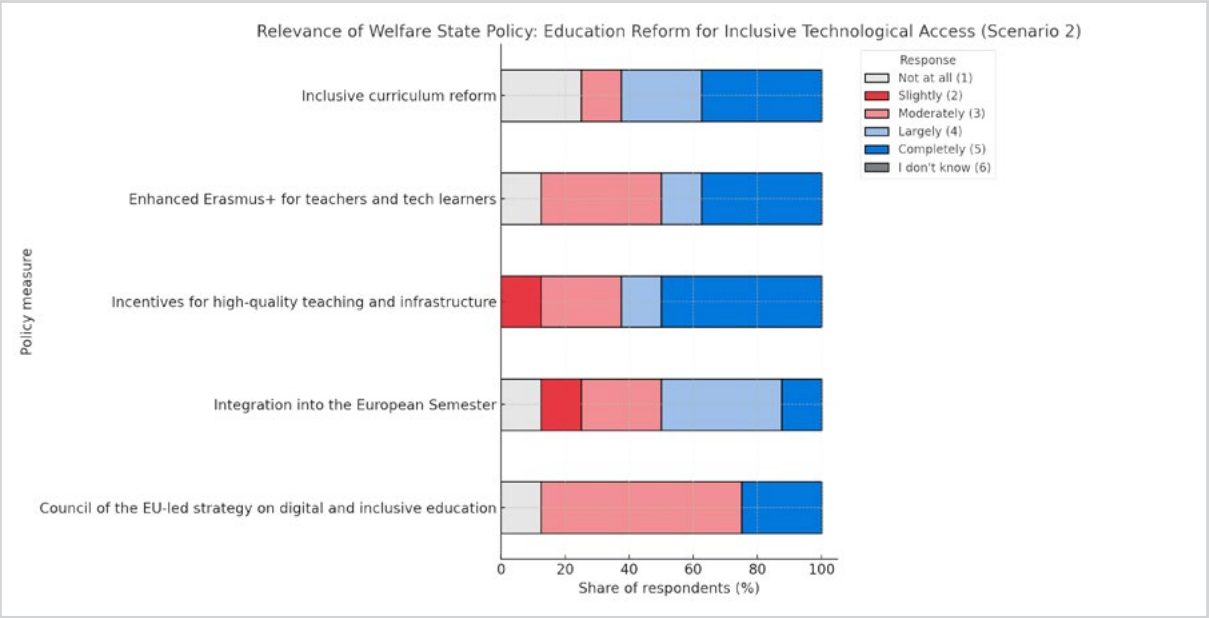
When considering feasibility, respondents were cautious overall, highlighting the institutional and financial constraints that may limit implementation by 2040. EU legislation was seen as the most challenging, reflecting concerns about the EU's capacity and member state willingness to enforce binding rules. Softer instruments such as guidelines and pilot programmes, however, attracted more positive assessments, since they are adaptable and can be tested incrementally before scaling up. Support mechanisms were acknowledged as necessary but faced scepticism about whether sufficient resources and political will would be available to strengthen trade union roles in all countries. This points to a clear hierarchy of feasibility, with adaptive bottom-up tools seen as more implementable than ambitious top-down regulation.

Effectiveness assessments suggest that collective bargaining has potential but is unlikely to fully deliver on its ambitious goals without complementary policies. Respondents believed it could moderately enhance inclusion and resilience, particularly by providing fairer working conditions and stabilising local labour markets, but they doubted its capacity to drive systemic transformation. Its contribution to social cohesion was considered weakest, with concerns that sectoral bargaining would not address inequalities between sectors or regions. Additional measures—such as cross-sectoral coordination, revenue-raising mechanisms (e.g. wealth or robot taxes), and broader redistributive frameworks—were identified as necessary complements. Overall, while mandatory collective bargaining in manufacturing is seen as a valuable step, its impact depends heavily on supportive institutional reforms, adaptive implementation, and integration with wider social and fiscal policies.

Welfare state policy recommendation – Education reform for inclusive technological access

The welfare state policy recommendation on Education Reform for Inclusive Technological Access aims to bridge inequalities in digital skills and education by setting EU-wide benchmarks, linking reforms to the European Semester, and tying funding access to progress on inclusivity and digital infrastructure. Key measures include early childhood, vocational, and lifelong learning programmes, teacher training and incentives, public–private partnerships for digital and green infrastructure, and expanded Erasmus+ opportunities for teachers and disadvantaged learners. By 2040, the policy is expected to boost upward mobility and ensure broader participation in tech-driven growth, with implementation phased through a Council strategy (2025–2027) and national reforms monitored from 2028–2035.

Figure 34. Relevance of Scenario 2 welfare state policy recommendation



The survey results suggest that the Council of the EU-led strategy on digital and inclusive education was viewed as moderately relevant, but with a relatively cautious balance of responses (Figure 34). While some respondents judged it completely relevant, most rated it only moderately so, and one participant considered it not relevant at all. This indicates that while setting EU-wide benchmarks is seen as an important step towards digital inclusiveness, doubts persist over whether such a top-down initiative would be effective in a fragmented Scenario 2, where cooperation at the EU level may face political resistance and limited traction.

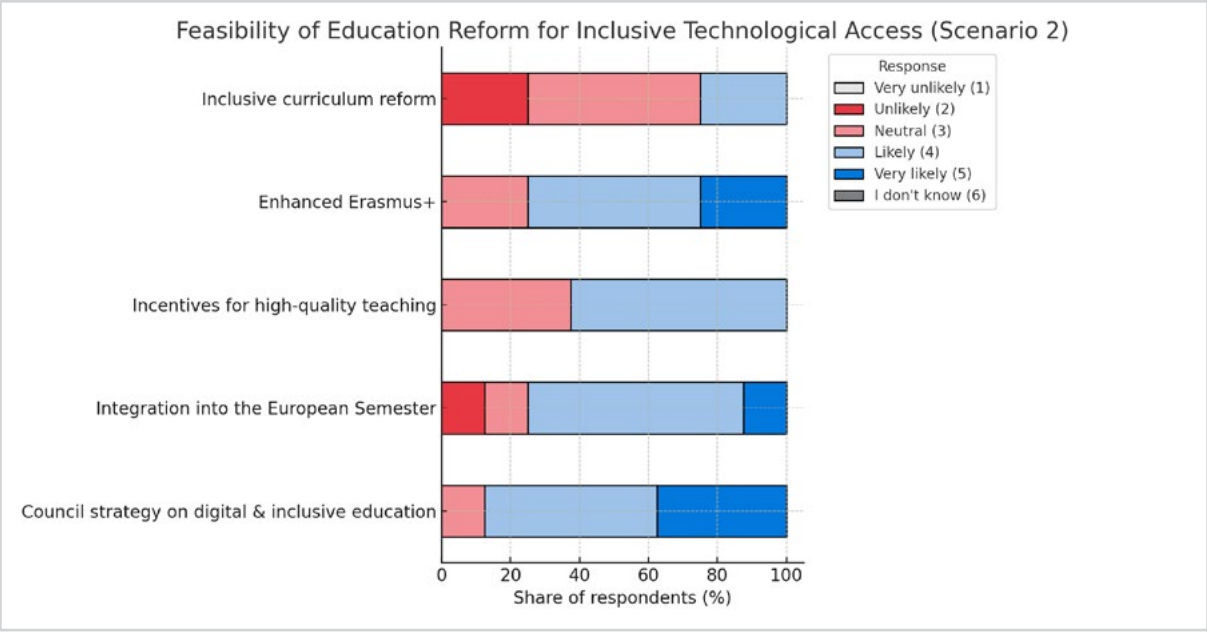
By contrast, integration into the European Semester and incentives for high-quality teaching and infrastructure were assessed more positively. A significant share of respondents rated these as largely or completely relevant, reflecting recognition that linking reforms to funding mechanisms and supporting teachers directly are both practical and impactful measures. The responses suggest that policies tied to financial and institutional incentives are viewed as more credible and implementable than high-level declarations, particularly as they encourage accountability and capacity-building in Member States.

Finally, enhanced Erasmus+ for teachers and tech learners and inclusive curriculum reform attracted some of the strongest support. Both measures saw high proportions of respondents rating them largely or completely relevant, signalling strong confidence in their ability to promote inclusiveness and reduce educational inequalities. Erasmus+ was valued for fostering mobility and exchange of skills across borders, while curriculum reform was seen as essential to preparing future generations for technological change. Taken together, the results show that respondents see the greatest potential in practical, bottom-up reforms and investment-driven policies, while remaining more sceptical about high-level EU coordination efforts.

Participants' additional comments reflected both support and scepticism regarding the education reform proposal. Several stressed that in a context of declining global cooperation, EU support would still be important, but could face rejection by some countries given the EU's limited competence and resources in education. Curriculum reform was identified as the most urgent need,

yet many warned that the proposals appeared overly tech-focused and risked being reduced to "add-on" subjects rather than a deeper rethinking of education. Concerns were also raised about the slow-moving, overburdened nature of education systems, with past reforms showing limited results. To be effective, respondents argued, reforms would need to be complemented by massive investment in bottom-up initiatives, school-level freedom, experimental and holistic learning approaches, and greater openness of schools to their communities, supported by diverse and well-trained staff.

Figure 35. Feasibility of Scenario 2 welfare state policy recommendation



The survey results indicate that respondents were cautiously optimistic about the feasibility of most elements of the education reform package, though opinions varied depending on the measure (Figure 35). The Council of the EU-led strategy on digital and inclusive education was judged relatively feasible, with a strong majority considering it "likely" or "very likely" to be implemented. This reflects a belief that broad strategic commitments at the EU level are politically achievable, even in a fragmented global context, as they primarily involve agenda-setting and coordination rather than binding regulation. However, a minority remained sceptical, noting the EU's limited competence in education policy and the potential for resistance from Member States.

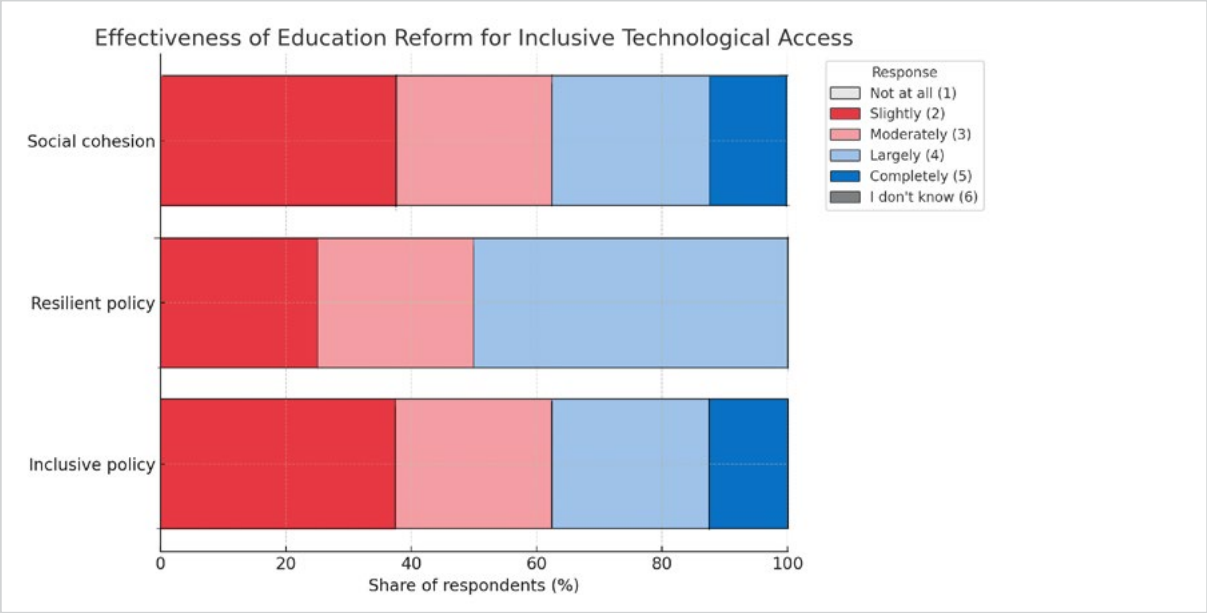
By contrast, the integration of education reforms into the European Semester received more divided responses. While most respondents still considered it feasible, there was a larger share rating it as "unlikely" or "neutral," suggesting doubts about Member States' willingness to accept EU-level conditionality in education. Linking reforms to access to EU funds may provide leverage, but in a context of declining global cooperation and rising national self-reliance, such conditionality could face political resistance. This highlights a tension between the perceived need for stronger EU oversight and the institutional and political realities that constrain its implementation.

The more targeted measures, such as incentives for high-quality teaching, enhanced Erasmus+, and inclusive curriculum reform, received mixed but generally positive assessments. Incentives for teaching and infrastructure were seen as particularly feasible, reflecting their alignment with existing EU funding mechanisms and long-standing calls to invest in teaching quality. Erasmus+

also received high feasibility ratings, given its established popularity and potential to expand incrementally. By contrast, curriculum reform was judged less feasible, with a significant share of respondents rating it as unlikely or neutral, reflecting concerns about the slow pace of education system reforms, entrenched national prerogatives, and the resource demands of deep curricular change. Overall, respondents saw softer, incentive-driven, and incremental tools as more realistic than ambitious structural reforms requiring strong centralisation or long-term political commitment.

Participants expressed doubts about the feasibility of the education reforms, noting that curriculum, teaching, and infrastructure are highly country-specific, making EU-wide alignment challenging. While strategies and incentives could be introduced relatively easily, many feared these might remain largely symbolic on paper with limited impact. Incremental changes, such as expanding Erasmus, were seen as feasible, but respondents were sceptical about the prospects for full-scale, top-down academic reform. Several emphasised that the vaguer the initiative, the more likely it might be adopted, yet the real challenge lies in ensuring reforms are effectively implemented on the ground and connected with existing national initiatives.

Figure 36. Effectiveness of Scenario 2 welfare state policy recommendation



The survey findings suggest that respondents see the education reform policy as moderately effective overall, but with varying strength across its three key goals: inclusion, resilience, and social cohesion (Figure 36). The results indicate some optimism about its potential, but also caution regarding the limits of its reach in Scenario 2, where fragmentation and uneven resources undermine systemic reform. None of the goals were rated as completely effective by a majority, signalling scepticism about the policy's ability to fully address the deep structural challenges of technological change and inequality.

Among the three dimensions, resilience was rated most positively, with the largest share of respondents considering the policy largely effective. This reflects recognition that reforms to teacher training, infrastructure, and curricula could strengthen education systems against future shocks and enable individuals to adapt to rapid technological shifts. By contrast, inclusion was judged slightly less effective, with responses clustering around "slightly" to "moderately effective." This

indicates doubts about whether the proposed measures — even with EU support — would sufficiently address barriers faced by disadvantaged groups, particularly in regions with weaker institutional capacities.

The social cohesion dimension was rated least effective overall, with several respondents only seeing slight impact. This suggests a perception that while education reform may support individual upward mobility, it is unlikely to bridge broader divides across regions, sectors, and social groups in Scenario 2. The absence of strong ratings of complete effectiveness across all three goals underlines that respondents view education reform as a necessary but partial solution. It can improve resilience and open opportunities for some, but without significant complementary policies — such as stronger welfare systems, redistributive measures, or cross-sectoral initiatives — its ability to foster broad inclusion and cohesion will remain limited.

Overall assessment of Scenario 2 welfare state policy recommendation

The education reform policy is broadly recognised by respondents as a valuable step towards bridging digital divides and equipping societies for a technology-driven future, but the results point to cautious optimism rather than unreserved support. On relevance, participants showed strongest confidence in bottom-up and investment-driven measures — such as Erasmus+, incentives for teaching, and inclusive curriculum reform — while expressing more scepticism about top-down initiatives like an EU-led strategy. This reflects both recognition of the EU's limited formal competences in education and a preference for tools that link reforms directly to resources and tangible outcomes.

When it comes to feasibility, softer and incremental instruments were judged more realistic than structural reforms. Expanding Erasmus and investing in teacher training were widely seen as achievable, while large-scale curriculum reform or stronger EU conditionality through the European Semester faced doubts due to entrenched national prerogatives and the slow-moving nature of education systems. Respondents highlighted the risk that strategies and benchmarks might remain symbolic without significant investment and strong national ownership, emphasising that effective change would require complementing EU initiatives with bottom-up experimentation, school-level autonomy, and broader community engagement.

On effectiveness, the policy was rated as moderately impactful, with its greatest potential in strengthening resilience through improved teaching capacity, infrastructure, and curricula. However, inclusion and social cohesion received weaker ratings, with respondents sceptical that the measures could overcome entrenched inequalities and regional divides in Scenario 2. Taken together, the assessments suggest that while education reform is seen as a necessary tool for adapting to technological change, its capacity to deliver broad inclusion and cohesion will remain limited unless supported by deeper systemic reforms, sustainable investment, and complementary welfare and redistributive measures.

→ SCENARIO 3

Labour market policy recommendation – Circular mobility and regional talent retention

The Circular Mobility and Regional Talent Retention policy aims to counteract stagnation and brain drain by combining structured circular mobility programmes, incentives for regional job attractiveness, life-course tailored mobility support, and rebranding strategies to foster regional pride. Measures include scholarships, return pathways, improved job quality in traditional sectors, portable social security, and narratives of "brain circulation." Led by national governments, the EU, and local authorities, the policy seeks to reinvigorate regional labour markets and balance demographic profiles, with phased implementation from 2026 to 2040.

Figure 37. Relevance of Scenario 3 labour market policy recommendation

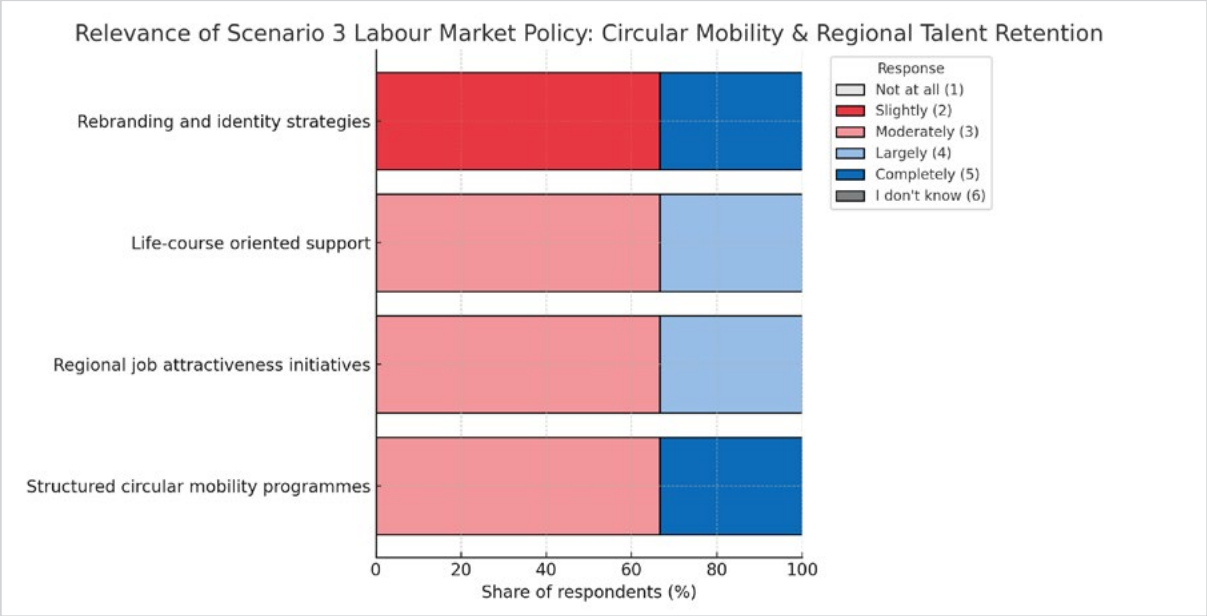


Figure 37 on the relevance of Circular Mobility and Regional Talent Retention measures in Scenario 3 shows a mixed but cautiously positive assessment from respondents. For structured circular mobility programmes, two-thirds of participants rated them as only moderately relevant, while a third considered them completely relevant. This reflects recognition of the value of facilitating youth migration and return pathways but also some scepticism about whether such schemes alone can effectively address deeper regional stagnation and brain drain challenges in a slow-growth, inward-looking world.

The regional job attractiveness initiatives and life-course oriented support measures received similar distributions of responses, with the majority rating them moderately relevant and a smaller share judging them largely relevant. This suggests that respondents acknowledge the potential of investments in job quality, social protection, and tailored support schemes to strengthen regional labour markets, but remain cautious about their transformative impact given financial constraints and entrenched weaknesses in traditional sectors. Their moderate ratings point to a perception that these measures are useful but may struggle to fully reverse structural challenges without broader systemic changes.

The most divided responses were seen in relation to rebranding and identity strategies. While a third of participants viewed these initiatives as completely relevant, two-thirds rated them only slightly relevant. This polarisation suggests that while some see strong value in fostering regional pride, identity, and brain circulation narratives, others doubt their practical significance compared to more material measures such as jobs and infrastructure.

Figure 38. Feasibility of Scenario 3 labour market policy recommendation

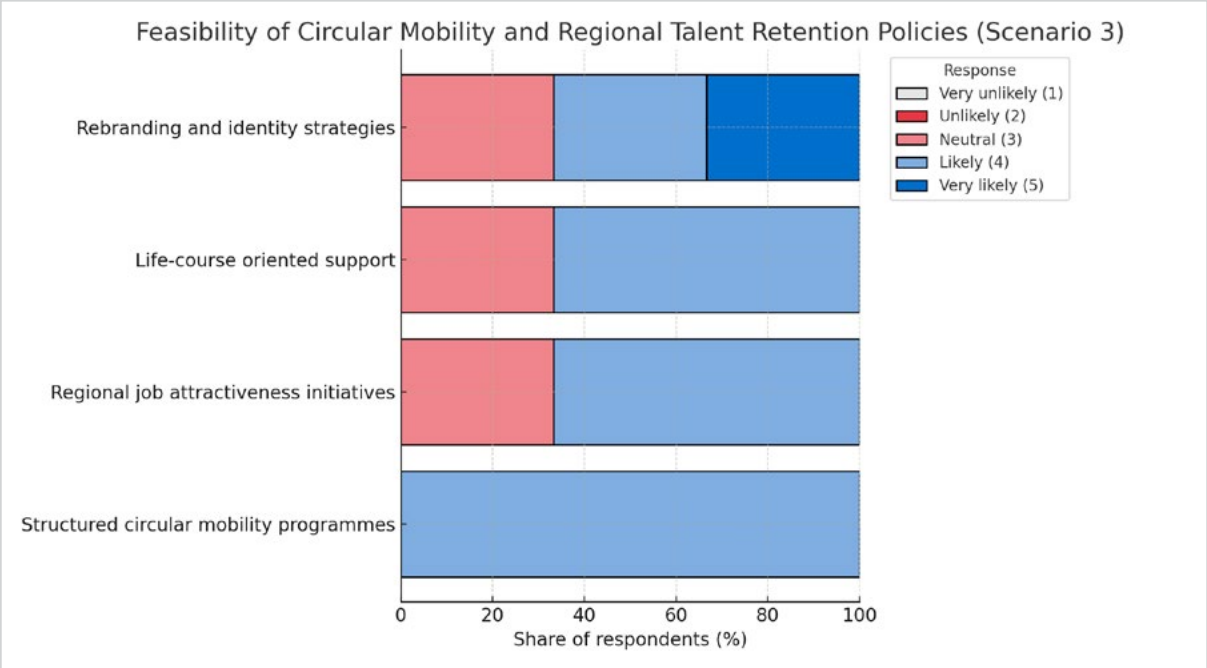


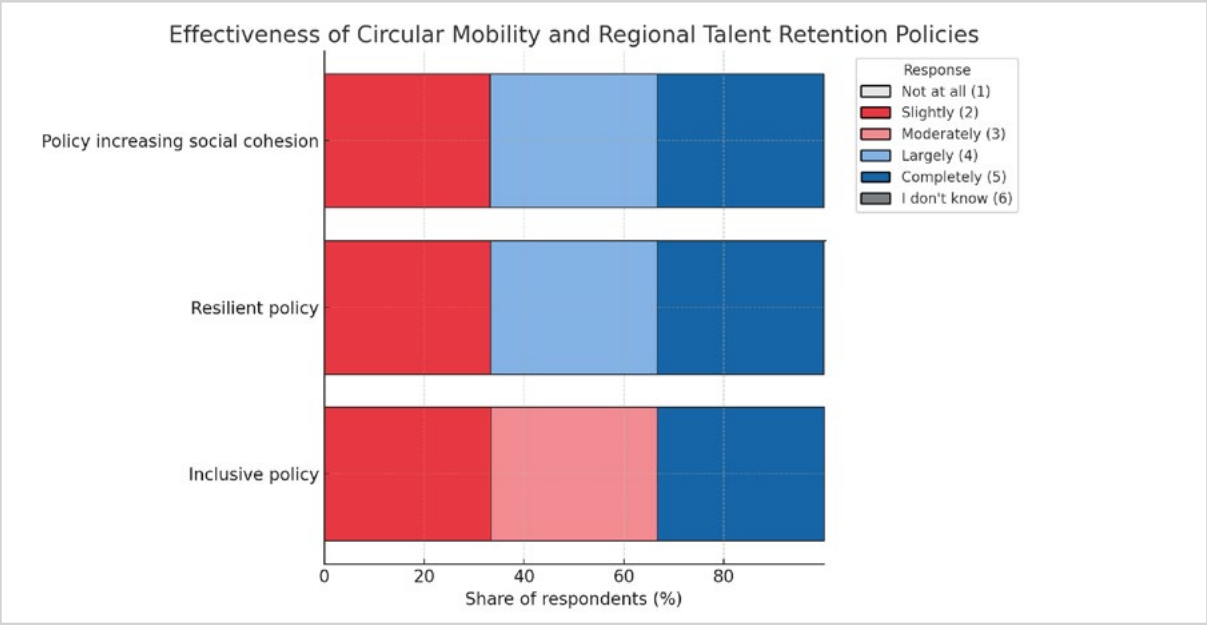
Figure 38 highlights a cautiously positive outlook, with most responses clustering around "likely" or "neutral." For structured circular mobility programmes, all respondents judged them "likely" to be implemented by 2040, reflecting strong confidence in their political and institutional feasibility. This result suggests that targeted, practical interventions such as return pathways, scholarships, or tax incentives for returnees are seen as realistic tools in a context of slow technological change and regional stagnation, particularly since they build on existing mobility schemes like Erasmus+ or national youth programmes.

In contrast, regional job attractiveness initiatives and life-course oriented support received more mixed but still broadly favourable assessments. Both were seen as either "likely" or "neutral," with two-thirds of respondents leaning toward feasibility. This suggests recognition that improving job quality in traditional sectors and providing tailored mobility support across life stages could be politically viable, but challenges remain in terms of financial resources, institutional capacity, and national-level willingness to prioritise these reforms. The fact that no respondents rated them "very likely" underscores a sense of caution, signalling that while feasible in principle, such policies would require strong political commitment and sustained investment.

The most divided responses appeared for rebranding and identity strategies, which were distributed evenly across "neutral," "likely," and "very likely." This indicates uncertainty about whether such softer measures—focused on identity-building, ambassador networks, and narratives of "brain circulation"—would gain the necessary traction or visibility. While comparatively less re-

source-intensive, these strategies may struggle to secure buy-in from policymakers and local stakeholders unless paired with concrete economic incentives.

Figure 39. Effectiveness of Scenario 3 labour market policy recommendation



The survey results on the effectiveness of the Circular Mobility and Regional Talent Retention policy show a cautiously positive outlook across all three dimensions — inclusion, resilience, and social cohesion (Figure 39). For inclusiveness, responses were split evenly across "slightly," "moderately," and "completely effective," each receiving a third of responses. This suggests that while some participants see clear potential for circular mobility to promote inclusion, others remain doubtful about its reach, particularly in addressing the barriers faced by disadvantaged groups in a fragmented scenario.

Resilience received relatively stronger confidence, with a third of respondents rating the policy "largely effective" and another third "completely effective." This reflects recognition that measures such as structured return pathways, job incentives, and tailored mobility support could strengthen regional labour markets against stagnation and demographic decline. However, the presence of a third who rated it only "slightly effective" indicates ongoing scepticism about whether these initiatives could realistically counter structural weaknesses in low-innovation economies.

For social cohesion, the results mirror resilience, with one-third of responses each for "slightly," "largely," and "completely effective." This reflects the mixed perception that while rebranding, identity strategies, and community-led innovation may help foster pride and counteract brain drain, their actual impact on bridging divides across regions and social groups is uncertain. Overall, the data suggests respondents recognise the policy's potential to improve regional stability and cohesion but remain cautious, seeing it as a useful but partial solution that would require stronger complementary measures.

Overall assessment of Scenario 3 labour market policy recommendation

The Circular Mobility and Regional Talent Retention policy is viewed as moderately relevant, with respondents recognising its value in addressing brain drain and regional stagnation but doubting its capacity to tackle deeper structural challenges. Mobility schemes, return pathways, and tailored job incentives were considered useful, while rebranding and identity strategies drew mixed views, seen by some as meaningful but by others as largely symbolic compared to concrete measures like job quality and infrastructure.

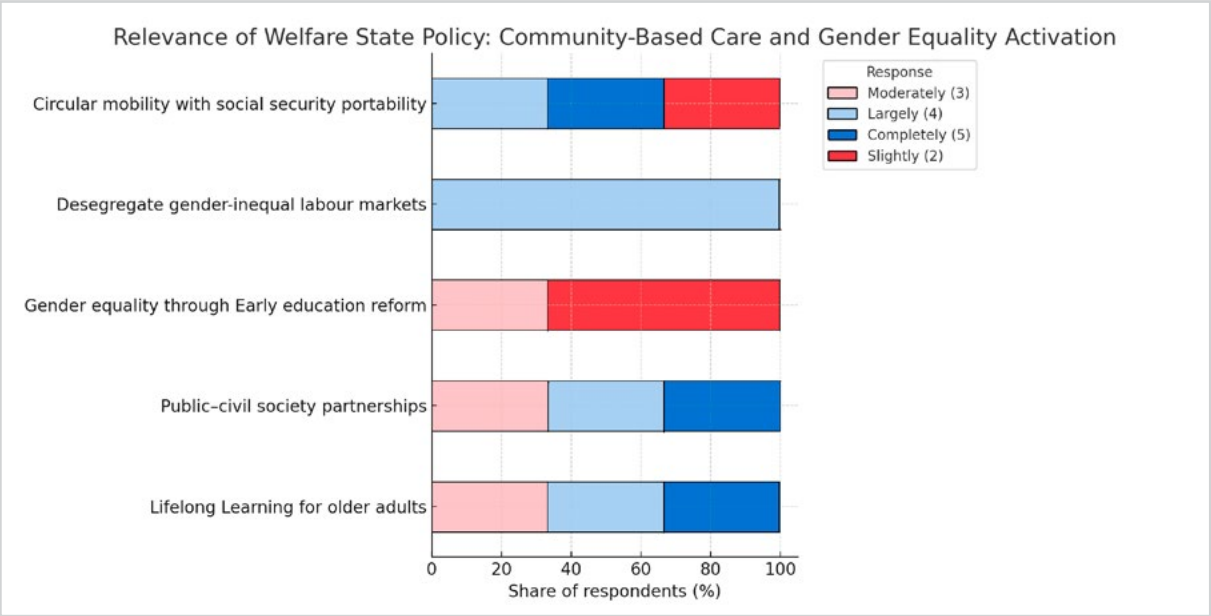
In terms of feasibility, circular mobility programmes were seen as the most realistic, given their alignment with existing youth mobility schemes and relatively low institutional barriers. Job attractiveness initiatives and life-course support were judged feasible but resource-intensive, requiring political will and investment to succeed. Rebranding strategies were considered less predictable, with their impact depending heavily on integration with broader labour market measures.

Effectiveness was rated cautiously, with inclusion perceived as harder to achieve due to persistent barriers for disadvantaged groups. Resilience drew stronger confidence, as structured return pathways and job incentives could stabilise regions against stagnation and demographic decline. Social cohesion was seen as possible but uncertain, with doubts about whether identity-building alone could bridge regional divides. Overall, the policy is regarded as a valuable but partial solution that would need complementary systemic reforms to achieve lasting impact.

Welfare state policy recommendation – Community-based care and gender equality activation

The Community-Based Care and Gender Equality Activation policy seeks to tackle persistent care deficits while advancing gender equality across society. It proposes training and “second career” pathways for older adults to contribute to childcare and community-based care, creating a model where public authorities provide infrastructure and coordination, while citizens, particularly older adults, deliver services. At the same time, it introduces gender-sensitive curricula in early education, alongside teacher training, to challenge stereotypes from an early age. The policy further aims to desegregate labour markets by supporting women’s entry into STEM and traditionally male-dominated sectors, while encouraging men to join care, education, and social professions, backed by efforts to address unequal pay and working conditions. Complemented by circular mobility measures that allow young people to work or study abroad with portable social rights before returning to strengthen their home regions, the policy is designed to revitalise ageing populations, increase female labour force participation, and enhance social cohesion. By 2040, its success would be measured through gender parity, care quality, and regional vitality indicators.

Figure 40. Relevance of Scenario 3 welfare state policy recommendation

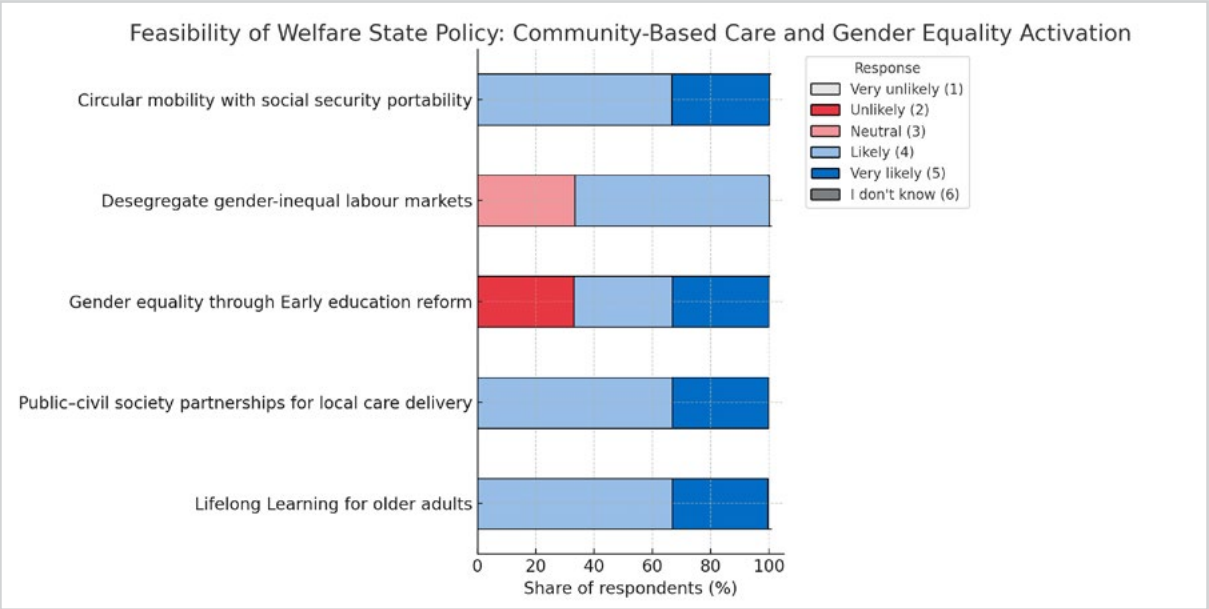


The results on the relevance of the Community-Based Care and Gender Equality Activation policy show a mixed but cautiously positive outlook (Figure 40). For *Lifelong Learning for older adults* and *Public–civil society partnerships for local care delivery*, the distribution of responses was evenly spread, with one-third each rating them moderately, largely, and completely relevant. This indicates broad recognition of their importance in addressing care deficits and making better use of ageing populations, while also signalling confidence in collaborative models that mobilise both public structures and civil society to fill welfare gaps.

By contrast, the proposal for *Gender equality through early education reform* was met with significant scepticism. Two-thirds of respondents rated it only slightly relevant, and the remainder moderately relevant, with no strong support for it being largely or completely effective. This suggests doubts about the immediate impact of curriculum-based reforms in a stagnating scenario where structural care challenges and funding shortages dominate attention. The weaker ratings reflect a perception that gender-sensitive education, while desirable in principle, may not directly address the most urgent welfare pressures.

The measures on *Desegregating gender-inequal labour markets* and *Circular mobility with social security portability* were viewed more positively. For the former, all respondents rated it as largely relevant, highlighting recognition of the need to tackle entrenched gender segregation and inequalities in pay and working conditions. For circular mobility, opinions were more divided, with responses split evenly between slightly, largely, and completely relevant. This indicates acknowledgement of its potential to revitalise regional care systems but also uncertainty over whether mobility incentives alone can address systemic welfare deficits. Overall, the data reflects cautious optimism about practical, community-focused initiatives, while more structural and long-term reforms attract greater scepticism.

Figure 41. Feasibility of Scenario 3 welfare state policy recommendation



The feasibility assessment of the proposed welfare state policies under Scenario 3 presents a cautiously optimistic outlook, with most measures being considered either "likely" or "very likely" to be implemented by 2040 (Figure 41). Both Lifelong Learning for older adults and Public–civil society partnerships for local care delivery received strong confidence, with two-thirds of respondents rating them as "likely" and one-third as "very likely." This reflects broad agreement that such initiatives are politically and institutionally feasible, especially given their relatively low cost and reliance on existing community structures. These policies appear well-aligned with the incremental and adaptive nature of a slow-growth scenario, where smaller, targeted interventions are more realistic than sweeping reforms.

By contrast, Gender equality through early education reform received a more divided evaluation, with equal shares of respondents placing it in the categories "unlikely," "likely," and "very likely." This suggests some scepticism about political will and institutional capacity to embed gender-sensitive curricula and reform entrenched norms within education systems. While the potential long-term benefits are acknowledged, the uneven distribution of responses highlights the challenge of enacting deeper cultural and systemic changes in a context characterised by cautious adaptation and limited policy innovation. It underscores that while technically possible, such reforms may face resistance or lack of prioritisation at the national level.

Responses to Desegregating gender-inequal labour markets and Circular mobility with social security portability were more positive overall, though not without reservations. For labour market desegregation, two-thirds saw it as "likely" and one-third as "neutral," indicating optimism about incremental progress but also recognition of structural barriers, such as unequal pay and entrenched occupational segregation. Circular mobility with social security portability was judged by most respondents as feasible, again with two-thirds rating it "likely" and one-third "very likely." This reflects confidence in the EU and national governments' ability to expand existing mobility schemes and harmonise social protections, making it one of the most technically and politically achievable policies in the package. Overall, the data suggests feasibility is strongest for practical, institutionally anchored measures, while more ambitious cultural and systemic reforms face greater uncertainty.

Effectiveness[13]

The results on the effectiveness of the Community-based Care and Gender Equality Activation policy highlight a striking consensus among respondents, who unanimously assessed the measures as largely effective across all three dimensions — inclusion, resilience, and social cohesion. This uniformity suggests broad recognition of the policy's capacity to address key welfare state challenges within Scenario 3. In particular, initiatives such as lifelong learning for older adults, circular mobility with social security portability, and desegregating labour markets are seen as impactful tools for mitigating inequalities and revitalising demographic and economic participation.

From a resilience perspective, respondents' unanimous view that the policy is largely effective reflects confidence in its potential to counteract the vulnerabilities associated with stagnating regional economies and shrinking welfare resources. By embedding care provision within communities and fostering stronger public–civil society partnerships, the measures appear well-suited to reinforce stability and adaptability in the face of limited technological and institutional progress. The emphasis on second-career pathways and volunteering schemes adds to this perceived resilience, ensuring that ageing populations remain active contributors to social and economic systems.

The dimension of social cohesion also received uniformly positive assessments, pointing to the belief that the policy can successfully foster stronger bonds between generations and across social groups. Through early education reform, gender-sensitive teaching, and community-led initiatives, the approach strengthens narratives of inclusivity and shared responsibility. Although respondents stopped short of judging the measures "completely effective," their consensus around "largely effective" suggests cautious optimism — acknowledging the policy's strong potential while recognising that deeper structural reforms would still be necessary to fully overcome entrenched inequalities and systemic stagnation.

Overall assessment of Scenario 3 welfare state policy recommendation

The Community-Based Care and Gender Equality Activation policy is an ambitious strategy to address both care deficits and gender inequalities in a stagnating welfare state context. Its measures range from mobilising older adults through lifelong learning and second-career pathways, to embedding community-led models of care delivery, and advancing gender equality through education and labour market desegregation. In parallel, circular mobility with portable social rights is intended to revitalise regions while fostering intergenerational solidarity. Collectively, these initiatives aim to enhance female labour force participation, support ageing populations, and improve social cohesion, with success measured by gender parity, care quality, and regional vitality indicators by 2040.

On relevance, the assessment reveals cautious optimism, with practical measures such as lifelong learning and community partnerships viewed most positively, reflecting their direct potential to tackle immediate care shortages and support ageing populations. Labour market desegregation also garnered strong endorsement, underlining awareness of persistent structural inequalities. However, early education reforms faced scepticism, being seen as less urgent or impactful under constrained resources. Similarly, circular mobility was judged variably relevant, with support tempered by doubts about whether mobility alone could offset systemic welfare gaps. This

13 As all answers were "Largely", we decided not to present the Figure.

distribution of views underscores a preference for tangible, near-term interventions over long-horizon cultural or systemic reforms.

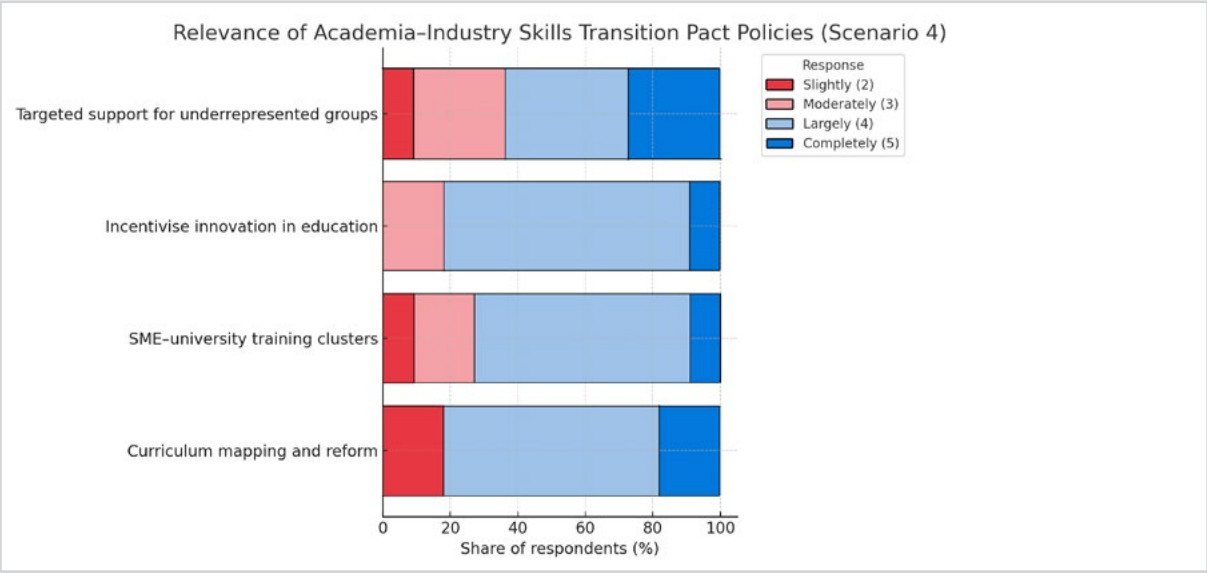
Regarding feasibility, the results suggest that practical, community-based measures are most likely to be implemented, as they require fewer resources and build on existing structures. Lifelong learning and public–civil society partnerships were seen as both politically and institutionally viable, aligning with incremental policy adaptation under Scenario 3. Circular mobility also ranked highly feasible, benefiting from existing EU mobility frameworks. By contrast, education reform and labour market desegregation, though desirable, were seen as more difficult to achieve due to political, cultural, and financial barriers. Finally, on effectiveness, respondents reached strong consensus: the package as a whole is expected to be largely effective in fostering inclusion, resilience, and social cohesion. While not judged "completely" transformative, its measures are recognised as capable of meaningfully addressing key welfare state challenges if implemented, with their community focus making them particularly adaptable to constrained and slow-growth environments.

→ SCENARIO 4

Labour market policy recommendation – Academia–industry competence pact for a green and fair economy

The *Academia–Industry Skills Transition Pact* aims to align education and training with green and technological transformations by reforming curricula, fostering SME–university training clusters, and incentivising innovation in teaching. It proposes mandatory curriculum audits to embed sustainability, digital fluency, and Industry 5.0 concepts, supported by EU-level frameworks. Regional "skills ecosystems" would link SMEs with universities through dual learning models, training labs, and pathways between education and work. Innovation is encouraged through EU R&I funds for pilot projects and interdisciplinary, challenge-based learning. To ensure inclusivity, the policy prioritises migrants, women in STEM, older workers, and low-qualified youth, offering financial incentives and life-course training rights. By 2040, it is expected to deliver more employable graduates, reduce skills mismatches, and strengthen the workforce for sustainable and digital industries.

Figure 42. Relevance of Scenario 4 labour market policy recommendation

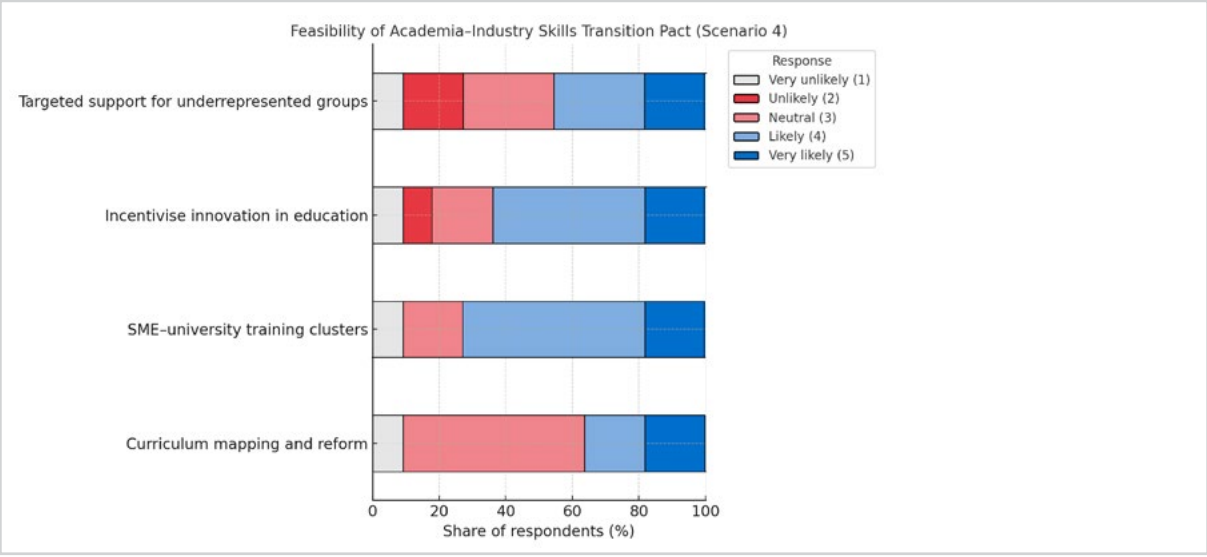


The relevance of the Academia–Industry Skills Transition Pact policies under Scenario 4 shows generally positive but somewhat varied perceptions across the four measures (Figure 42). Curriculum mapping and reform received a strong share of support, with over one-third of respondents rating it as "largely" or "completely" relevant, while a small minority considered it only "slightly" relevant. This indicates recognition that embedding green and digital skills in higher education and vocational training is essential for long-term labour market adaptation, although some scepticism remains about its ability to directly address immediate structural challenges.

SME–university training clusters and incentives for innovation in education attracted the strongest backing, with most respondents considering them either "largely" or "completely" relevant. These results suggest confidence in practical, collaborative mechanisms that directly connect education and training with labour market needs, especially in a context of sluggish innovation and uneven economic progress. Respondents appear to value concrete partnerships, work-study schemes, and EU-funded pilots as more tangible and effective than broad reforms alone.

By contrast, targeted support for underrepresented groups received a more divided response, with opinions distributed across "slightly," "moderately," "largely," and "completely" relevant. While there is acknowledgement of the importance of inclusion, particularly for migrants, women in STEM, and older workers, the split suggests uncertainty about how impactful these measures can be under fiscal constraints and uneven regional capacities. Overall, the data indicates a strong belief in institutional partnerships and innovation-driven approaches, while inclusion measures, though valued, face more debate over their practical effectiveness.

Figure 43. Feasibility of Scenario 4 labour market policy recommendation



The feasibility results of the Academia–Industry Skills Transition Pact highlight a cautiously optimistic outlook, though with notable variation between the measures (Figure 43). Curriculum mapping and reform received mixed responses: while some participants judged it as "likely" or "very likely," a significant share considered it only "neutral," and one even "very unlikely." This suggests recognition of the technical possibility of embedding green and digital skills into curricula but concern about the bureaucratic and institutional inertia that could slow or dilute reforms. The responses reflect both the importance of aligning education with Industry 5.0 and sustainability goals and the real-world difficulty of implementing large-scale curriculum reforms by 2040.

The results for SME–university training clusters appear more favourable, with the majority seeing them as “likely” or “very likely.” This indicates confidence that practical partnerships between educational institutions and businesses can be scaled up, given their strong track record and relatively lower political resistance. By creating regional ecosystems of training and applied research, these clusters are seen as a feasible strategy to bridge the gap between education and the labour market. However, the presence of a few “neutral” or “very unlikely” responses suggests some doubt over resource allocation and whether less affluent regions could implement such programmes at the same level as wealthier areas.

By contrast, measures to incentivise educational innovation and provide targeted support for underrepresented groups attracted more scepticism. While both were still largely rated as feasible, the distribution of responses points to concerns about sustained funding, political will, and inclusivity in policy delivery. The mixed assessments reflect the difficulty of moving beyond pilot projects into systemic adoption of new teaching methods, as well as the challenge of ensuring that vulnerable groups genuinely benefit from new opportunities. In short, the survey results suggest that feasibility is strongest for collaborative, institutionally anchored measures such as training clusters, while systemic reforms and equity-focused interventions face greater uncertainty in a constrained, cautious policy environment.

Figure 44. Effectiveness of Scenario 4 labour market policy recommendation

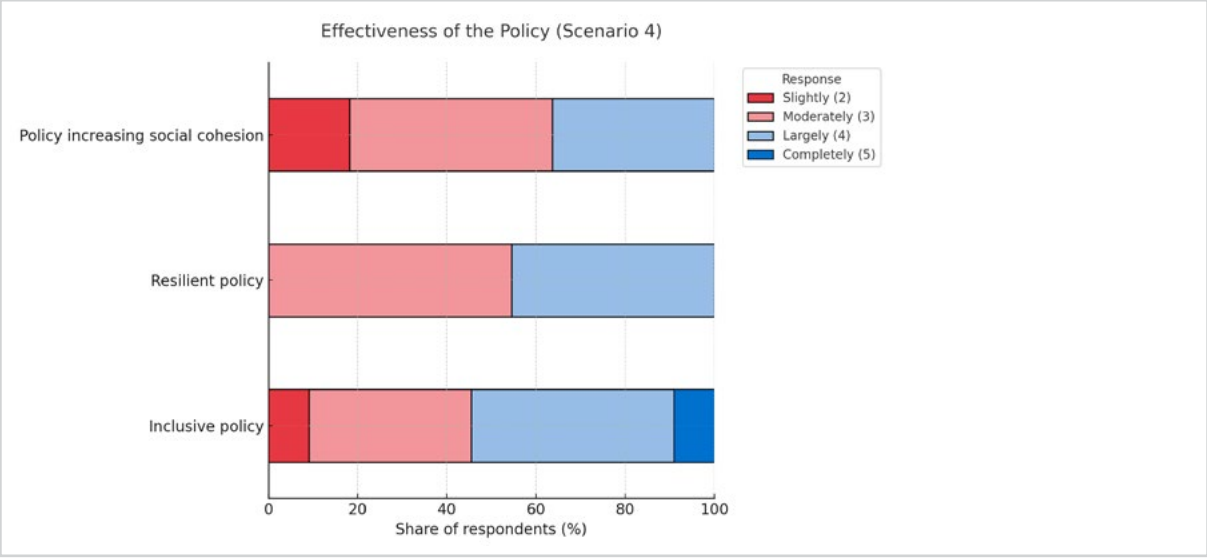


Figure 44 on the effectiveness of the policy recommendations for Scenario 4 shows a generally positive but cautious outlook across inclusion, resilience, and social cohesion. For the inclusive policy, the responses are distributed across moderate to high effectiveness. A small minority rated it only slightly effective, but the largest shares lie in “moderately” and “largely effective,” with some respondents also choosing “completely effective.” This suggests that while respondents see clear potential in inclusivity measures such as curriculum reform and targeted training, there is recognition that such policies alone may not fully overcome entrenched barriers of access and inequality.

In terms of the resilient policy, the assessment is somewhat stronger, with no respondents judging it ineffective. Instead, the majority cluster around “moderately” and “largely effective,” while some see it as completely effective. This distribution reflects confidence that resilience-focused

policies—such as SME–university training clusters and incentives for innovation—could strengthen labour market adaptability in a world marked by slow technological progress and economic headwinds. However, the lack of unanimity at the "completely effective" level points to a sense of caution, particularly concerning whether such measures could realistically overcome systemic inertia and the uneven geographic distribution of green jobs.

For policies aimed at increasing social cohesion, opinions are more mixed. While many respondents consider them "largely effective," a notable share remain in the "slightly" or "moderately effective" categories, and none rate them as "completely effective." This pattern indicates that while these policies—such as targeted support for underrepresented groups—are acknowledged as valuable in principle, their practical impact in deeply fragmented labour markets is questioned.

Overall assessment of Scenario 4 labour market policy recommendation

The overall assessment of the Academia–Industry Skills Transition Pact under Scenario 4 reflects a cautiously optimistic yet nuanced perception of its potential. On relevance, respondents showed strong support for measures that directly link education with labour market needs, particularly SME–university training clusters and incentives for educational innovation. These were seen as concrete, collaborative, and effective mechanisms to equip workers with green and digital skills. Curriculum mapping and reform also received positive recognition, though with some scepticism about their ability to address urgent structural challenges. Inclusion measures, while valued, provoked more debate, highlighting concerns about their practical impact under fiscal and institutional constraints.

The feasibility results further illustrate this cautious optimism. Training clusters were seen as the most realistic to implement, reflecting confidence in existing institutional models and their adaptability across regions. Curriculum reform was recognised as important but hampered by fears of bureaucratic inertia and uneven adoption across systems. Incentivising innovation and providing targeted support for vulnerable groups were rated as feasible in principle, but respondents flagged concerns about scaling beyond pilots, securing consistent funding, and ensuring equitable delivery. This suggests that while collaboration-based initiatives are politically and institutionally viable, broader systemic and equity-driven reforms may face stronger headwinds.

On effectiveness, the responses reveal broad but careful support across inclusion, resilience, and social cohesion. Inclusive measures such as curriculum reform and training rights were considered moderately to largely effective, though unlikely to fully close structural inequalities alone. Resilience measures received the strongest backing, with respondents confident that partnerships and innovation can bolster adaptability in a slow-innovation world, though questions remain about uneven regional outcomes. Social cohesion policies were more contested, with respondents acknowledging their importance but doubting their transformative power in fragmented labour markets. Overall, the Pact is regarded as a valuable and necessary step, but one that must be complemented by systemic reforms and long-term political commitment to fully deliver on its promise of a green and fair economy.

Welfare state policy recommendation – Decommodification of essential services through local public goods compacts[14]

The Decommodification of Essential Services through Local Public Goods Compacts addresses welfare fragility under fiscal constraints by reducing reliance on unstable labour market income and costly monetary transfers. It seeks to ensure universal access to affordable, quality housing, childcare, and transport, thereby reducing the vulnerability of low-income groups to economic shocks and mitigating risks of unequal access. By embedding green infrastructure into public services, the policy also aims to strengthen community resilience and promote social cohesion in a sustainable and inclusive way.

Relevance of Scenario 4 welfare state policy recommendation

The relevance of the Scenario 4 welfare state policy recommendation — Decommodification of Essential Services through Local Public Goods Compacts — emerges as particularly strong given the fiscal and structural constraints characterising this context. With slow growth, fragmented global integration, and precarious employment eroding the tax base, reliance on redistributive cash transfers alone is insufficient to sustain social stability. By shifting the welfare paradigm toward guaranteeing structural security through universal access to essential services such as housing, childcare, education, and transport, the policy directly addresses the vulnerabilities of households most exposed to labour market volatility. Respondents generally view this rights-based approach as highly relevant, as it reframes welfare provision around stability, resilience, and reduced exposure to shocks.

The emphasis on locally empowered public goods compacts is particularly salient under Scenario 4. Municipal frameworks, supported by EU legislation and funding, provide a governance model that is flexible enough to accommodate regional differences while maintaining common standards for affordability and quality. This resonates strongly in a fragmented fiscal environment where central governments face limitations, making decentralised provision both politically and institutionally feasible. Drawing inspiration from proven cases like Vienna's housing and childcare systems further underpins the policy's credibility and reinforces perceptions of its relevance. The principle of universality — moving beyond residual safety nets — also aligns well with concerns about equity and social cohesion in a context of polarisation and precarious work.

Finally, the policy's integration of green infrastructure and ecological objectives adds another dimension to its relevance, connecting welfare reform with climate resilience. In Scenario 4, where technological innovation is sluggish and climate challenges intensify, embedding sustainability into public housing, childcare, and transport ensures that welfare provision supports long-term environmental as well as social stability. The pilot-to-scaling roadmap, combined with EU funding streams such as cohesion funds and the Green Deal Industrial Plan, reinforces the feasibility of implementation. Overall, respondents interpret this approach as a strategically relevant response to Scenario 4's constraints: it secures household well-being, strengthens resilience, and ties welfare reform to broader ecological and social goals, making it a cornerstone for sustainable welfare futures.

14 Policy recommendation assessment was done randomly and only three participants commented the Decommodification policy. We decided not to show Figures but to summarise the main messages.

Feasibility of Scenario 4 welfare state policy recommendation

The feasibility of the Scenario 4 welfare state policy recommendation — Decommodification of Essential Services through Local Public Goods Compacts — is assessed as cautiously positive, though not without significant challenges. On the one hand, the policy's reliance on municipal frameworks rather than centralised systems is seen as a pragmatic adaptation to fiscal and political constraints. By empowering local governments with regulatory autonomy and earmarked EU support, the model distributes responsibility and allows for experimentation in diverse contexts. This decentralisation increases feasibility, as it avoids the need for sweeping, top-down welfare reforms that might struggle to gain traction under strained national budgets.

At the same time, concerns about funding and institutional capacity temper perceptions of feasibility. While EU cohesion funds, the Green Deal Industrial Plan, and local revenues offer credible funding channels, the reliance on co-financing mechanisms could create uneven implementation between wealthy and resource-poor municipalities. There is also the risk of governance gaps, where smaller or rural areas lack the administrative expertise to design and manage effective service provision. Respondents emphasise that ensuring compliance with EU-level standards on quality and affordability will require strong monitoring systems, and the policy's feasibility may hinge on whether these oversight mechanisms can be implemented without adding excessive bureaucracy.

Nevertheless, the phased pilot-to-scaling roadmap increases the perception of feasibility. By beginning with pilot projects between 2026 and 2030, the policy allows for incremental learning, adaptation, and refinement of governance and financing models before nationwide rollouts. This staged approach fits well with Scenario 4's incrementalist character, where bold systemic overhauls are unlikely, but smaller, replicable successes can gradually reshape welfare provision. Partnerships with community-based organisations and social enterprises also enhance feasibility by spreading the implementation burden, though public authorities retain final responsibility to safeguard quality. Overall, while fiscal austerity and administrative unevenness are major obstacles, respondents view the policy as feasible in practice if pursued gradually, supported by EU frameworks, and protected against inequities in local capacity.

Effectiveness of Scenario 4 welfare state policy recommendation

The effectiveness of the Scenario 4 welfare state policy recommendation — Decommodification of Essential Services through Local Public Goods Compacts — is viewed as promising across three dimensions: inclusion, resilience, and social cohesion, though its ultimate impact depends on sustained political will and careful implementation.

From an inclusion perspective, the policy has strong potential to guarantee equal access to essential goods such as housing, childcare, education, and transport, reducing inequality that is often exacerbated by reliance on volatile labour market incomes. By framing access as a universal right rather than a residual safety net, the compacts directly tackle exclusion and discrimination, particularly for low-income and precarious workers. However, effectiveness may be uneven in practice if resource-poor municipalities struggle to match the quality and scope of services delivered in wealthier regions.

In terms of resilience, the approach provides structural protection against economic and ecological shocks by insulating households from market volatility. Affordable housing, subsidised childcare, and zero-fare transport directly reduce household vulnerability to job loss, wage stagnation, or climate disruptions. This represents a shift from reactive cash transfers to proactive risk prevention. Effectiveness in resilience will, however, depend on whether services are sustainably financed and whether EU-level standards succeed in keeping quality and affordability consistent across regions.

For social cohesion, the compacts encourage stronger community bonds by embedding welfare provision at the municipal level, where governance can be more responsive and participatory. Local involvement in designing and delivering services fosters trust and a sense of shared responsibility, while universal entitlements help reduce social divides between different income or occupational groups. The integration of green infrastructure further strengthens cohesion by linking welfare provision with collective climate goals. Yet, scepticism remains over whether decentralised provision can fully overcome regional disparities or prevent tensions if some communities feel underserved. Overall, the policy is assessed as largely effective, with notable strengths in reducing inequality and boosting resilience, though effectiveness in fostering cohesion will depend on equitable scaling and consistent implementation.

Overall assessment of Scenario 4 welfare state policy recommendation

In terms of relevance, the policy is widely viewed as a strategically appropriate response to Scenario 4's constraints. Municipally led public goods compacts, backed by EU funding and standards, resonate with the need for decentralised, flexible models of welfare delivery when national budgets are stretched. The principle of universality, inspired by successful examples such as Vienna's housing and childcare systems, is highly valued as a way to strengthen equity and cohesion in an era of precarious work. Respondents see the policy as not just relevant but necessary, given that redistributive transfers alone cannot sustain welfare stability under these conditions.

The feasibility of the policy is cautiously positive. Decentralisation to municipalities, coupled with EU support, makes the model politically and institutionally plausible. The roadmap of piloting between 2026–2030 before scaling nationwide allows for gradual adaptation, aligning well with Scenario 4's incrementalist dynamics. However, feasibility depends on overcoming major obstacles: uneven municipal capacities, reliance on co-financing mechanisms, and the need for strong EU monitoring to ensure standards are met without creating excessive bureaucracy. Partnerships with community organisations can mitigate capacity challenges, but sustained political commitment and adequate funding streams will be critical.

Finally, the effectiveness of the policy is seen as promising across inclusion, resilience, and social cohesion. It can reduce inequality by treating access to essential services as a universal right, strengthen resilience by insulating households from labour market volatility, and foster cohesion through localised, participatory governance. Integrating green infrastructure further enhances both social and ecological stability. Yet, effectiveness may vary depending on municipal resources and the consistency of EU oversight. Overall, respondents judge the policy to be largely effective, capable of reshaping welfare delivery to be fairer, greener, and more resilient, provided scaling is managed equitably and local disparities are carefully addressed.

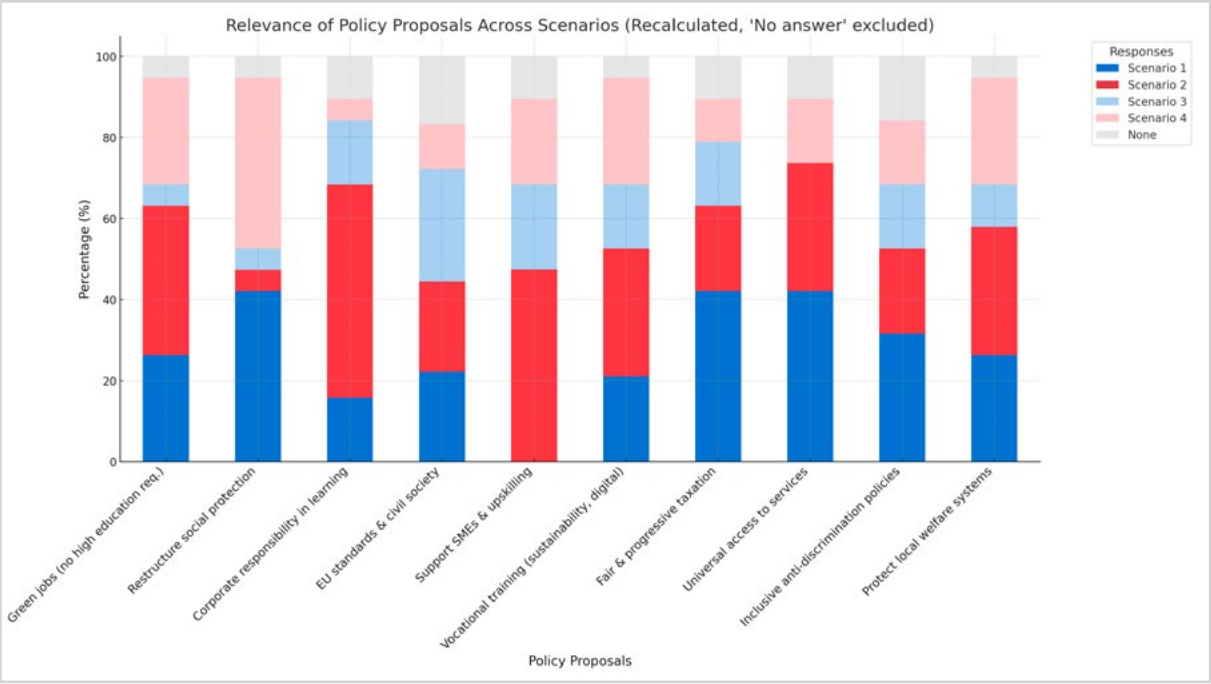
3.4.2. SUMMARY OF THE ASSESSMENT OF THE POLICY RECOMMENDATIONS

Scenario	Policy Recommendation	Objective	Relevance	Feasibility	Effectiveness
1	Labour Market – Inclusive Transition Programme	Fair job-to-job transitions in green/digital shift via reskilling, education reform, skills mapping, and financial support.	Strongly endorsed for skills-focused measures; financial support/transition plans more mixed.	Skills policies seen as highly feasible; financial tools less certain.	Strong on inclusion & resilience; weaker on cohesion.
	Welfare – EU Transition Support Mechanism	Support unemployed workers via reskilling, mobility, solidarity funds, and transition pacts.	Highly relevant, especially reskilling (unanimous); solidarity/pacts contested.	Reskilling & mobility feasible; redistribution measures less so.	Strong on inclusion; resilience more cautious; cohesion mixed.
2	Labour Market – Mandatory Collective Bargaining in Manufacturing	Reduce job polarisation via EU legislation, sectoral guidelines, pilots, and union/employer support.	Guidelines & pilots most relevant; EU legislation divisive.	Softer tools (guidelines/pilots) feasible; binding legislation unlikely.	Moderate inclusion/resilience; weak cohesion.
	Welfare – Education Reform for Inclusive Technological Access	Bridge digital divides through EU benchmarks, teacher training, Erasmus+, PPPs, and curriculum reform.	Erasmus+, teacher incentives & curricula most relevant; EU strategy less so.	Feasible for incremental tools; deep curriculum reform harder.	Strongest on resilience; moderate inclusion; weak cohesion.
3	Labour Market – Circular Mobility & Regional Talent Retention	Counter stagnation & brain drain via mobility programmes, job incentives, tailored support, and rebranding.	Moderately relevant; mobility/job incentives valued; rebranding polarised.	Feasible for mobility; job incentives resource-heavy; rebranding uncertain.	Stronger for resilience & cohesion; inclusion weaker.
	Welfare – Community-Based Care & Gender Equality Activation	Address care deficits & gender inequality via older adults' training, partnerships, education reform, labour market desegregation.	Positive for lifelong learning, partnerships, desegregation; scepticism on education reform.	Feasible for community initiatives; systemic reforms more difficult.	Largely effective across inclusion, resilience, cohesion.
4	Labour Market – Academia–Industry Skills Transition Pact	Align education with green/digital needs via curriculum reform, SME–university clusters, innovation incentives, and inclusion measures.	Strong for clusters & innovation; curriculum reform positive but cautious; inclusion debated.	Feasible for clusters; curriculum reform slower; inclusion/innovation scaling uncertain.	Resilience strongest; inclusion moderate; cohesion weakest.
	Welfare – Decommodification of Essential Services via Local Public Goods Compacts	Guarantee universal access to housing, childcare, education, and transport outside the market.	Highly relevant under fiscal constraints; universality/decentralisation strongly valued.	Feasible via municipal frameworks & EU support; uneven local capacity risks.	Largely effective across inclusion, resilience, cohesion; disparities may persist.

3.4.3. ADDITIONAL POLICIES

In the first round of the Delphi-like survey, participants were presented with an open-ended question inviting them to provide policy recommendations for each scenario. In the second round, the final question asked participants to review the additional policy proposals suggested in the first round and indicate the scenario(s) for which they considered these policies relevant for implementation.

Figure 45. Review of additional policies



Position green jobs as accessible opportunities, not requiring high education

This proposal was perceived as particularly relevant for Scenario 2 (37%), suggesting that respondents associate easier access to green jobs with conditions where broader structural changes or transitions are expected. Scenario 1 and Scenario 4 (both 26%) were also considered fitting contexts, perhaps because job creation and accessibility could support resilience in both more localised and more regulated futures. Very few respondents linked it to Scenario 3 (5%), which may indicate doubts about its feasibility under that setting. A similarly small share (5%) considered the proposal irrelevant, showing that most respondents see at least some potential application.

Restructure social protection systems to align with climate policies

This policy was strongly linked to Scenario 1 and Scenario 4 (42% each), reflecting the view that adapting social protection will be essential both in more market-driven contexts (Scenario 1) and in those guided by strong regulation (Scenario 4). In contrast, very few respondents saw relevance for Scenario 2 or 3 (5% each), which suggests either limited perceived feasibility or lower prioritisation in these settings. The almost equal split between Scenario 1 and 4 highlights a recognition that climate-oriented reforms to social protection could be necessary across very different governance models.

Encourage corporate responsibility in lifelong learning initiatives

A majority of respondents (53%) linked this proposal to Scenario 2, suggesting that corporate-led training and lifelong learning are seen as particularly valuable where business plays a central role in driving transformation. Smaller shares identified Scenario 1 and 3 (16% each) as suitable, reflecting some recognition of the cross-scenario relevance of upskilling initiatives. However, Scenario 4 (5%) was rarely mentioned, perhaps because corporate-led measures may appear less central in a strongly state-regulated environment. Around one in ten respondents judged the proposal as irrelevant, showing some scepticism about the feasibility or desirability of assigning this responsibility to companies.

Maintain EU regulatory standards and support civil society solutions

Responses to this proposal were relatively balanced, with the largest share linking it to Scenario 3 (28%), where maintaining standards and empowering civil society may compensate for weaker or fragmented governance structures. Both Scenario 1 and 2 were also commonly chosen (22% each), indicating that respondents recognise a need to uphold EU standards even in more market-driven or competitive contexts. Scenario 4 (11%) was selected less frequently, perhaps reflecting an assumption that regulatory standards are already well established there. Still, a notable proportion (17%) considered the proposal irrelevant, suggesting that some respondents see it as less of a priority compared to other measures.

Focus on supporting SMEs and worker upskilling programs

The strongest support for this measure was in Scenario 2 (47%), highlighting how respondents view small and medium-sized enterprises as key actors in more business-centred transformations. Significant shares also pointed to Scenario 3 and Scenario 4 (both 21%), which suggests recognition of SMEs as adaptable drivers of change across different contexts. Interestingly, no respondents linked this to Scenario 1, which may imply that in a highly market-driven or competitive environment, SMEs are seen as less likely to receive or benefit from targeted support. A smaller group (11%) dismissed the proposal as irrelevant, though overall the results indicate broad recognition of the importance of SME support in transitions.

Expand vocational training in sustainability, circular economy, and digital skills

This proposal was viewed as widely relevant, with the highest support for Scenario 2 (32%) and Scenario 4 (26%), where such training is seen as aligning well with either business-driven or regulation-driven transformations. Scenario 1 (21%) and Scenario 3 (16%) were also considered appropriate, showing that respondents see training in these fields as having cross-cutting value across contexts. Only a small minority (5%) judged it irrelevant, underlining broad consensus that sustainability and digital skills will be central to preparing the workforce for future labour market needs.

Fair and progressive taxation: Implement wealth taxes on inheritance, capital gains, and financial transactions to reduce inequality

This proposal was most strongly associated with Scenario 1 (42%), where redistributive taxation may be seen as necessary to mitigate inequality in more competitive or market-driven settings. Scenario 2 (21%) and Scenario 3 (16%) also attracted some support, suggesting that progressive taxation is perceived as having some relevance even where business responsibility or local resilience are more prominent. Scenario 4 (11%) was less frequently chosen, perhaps because strong regulation is assumed to provide alternative mechanisms for tackling inequality. Nonetheless, only a small share (11%) dismissed the measure outright, highlighting broad recognition of its importance.

Universal access to social services: Ensure access to healthcare, housing, and education for all socio-economic groups

Respondents linked this policy mainly to Scenario 1 (42%) and Scenario 2 (32%), underlining a widespread perception that universal access to services is especially critical in contexts where inequalities may deepen. Scenario 4 (16%) also received some support, though less so than the more market-oriented settings. Interestingly, no one associated the policy with Scenario 3, which may reflect doubts about feasibility or priority in more fragmented environments. A small share (11%) judged it irrelevant, but overall there was strong consensus on the importance of universal access to essential services.

Implement inclusive policies to fight discrimination

This proposal was relatively evenly distributed across scenarios, with Scenario 1 (32%) attracting the most support, followed by Scenario 2 (21%), and Scenario 3 and 4 (both 16%). The spread suggests that respondents perceive anti-discrimination measures as broadly relevant, though perhaps particularly pressing in more market-driven contexts where inequalities could widen. Around 16% considered the proposal irrelevant, pointing to some disagreement about its centrality in the policy agenda.

Protect local social welfare systems

The responses to this proposal were spread fairly evenly, with the most support for Scenario 2 (32%), and substantial shares for Scenario 1 and Scenario 4 (both 26%). Scenario 3 (11%) also received some recognition, showing that local welfare protection is seen as broadly relevant across diverse contexts. Only 5% dismissed it as irrelevant, underlining that respondents generally see strong value in safeguarding local welfare mechanisms, particularly in times of structural change.

4. Implications for labour markets and welfare States

4.1. RISKS AND OPPORTUNITIES IDENTIFIED ACROSS SCENARIOS

The four scenarios explored in this foresight exercise present divergent futures for Europe's economic, social, and technological development. Each is shaped by a different configuration of global economic integration, climate policy ambition, and technological change. While their specific contexts differ, the analysis reveals several cross-cutting risks and opportunities that recur in varying forms across the scenarios. These shared patterns point to structural challenges that require long-term strategic attention, as well as to levers that can be activated under different futures to achieve both resilience and competitiveness.

4.1.1. CROSS-CUTTING RISKS

Labour market disruption and structural unemployment

All scenarios carry significant risks of disruption to employment, though the underlying drivers vary. In high-change contexts such as Scenario 1 (high globalisation, rapid technological change, strong climate policy), the pace of transformation in green and digital sectors threatens to outstrip the capacity of workers and institutions to adapt, leading to job displacement on a large scale. Without coordinated labour market planning and substantial reskilling, workers in carbon-intensive industries and low-skilled occupations face prolonged unemployment. In slower-technology contexts like Scenario 4, the risk is not mass displacement but the entrenchment of precarious, low-quality work, with limited opportunities for upward mobility.

Inequality and polarisation

Economic and technological shifts risk widening divides between high- and low-skilled workers, prosperous and lagging regions, and younger and older generations. In Scenario 2, where global integration is low but technological change is rapid, automation risks hollowing out middle-income jobs while concentrating gains among a small elite of tech owners and skilled professionals. In Scenario 3, weaker growth combined with low innovation exacerbates geographic inequalities as economically dynamic regions pull further ahead of those in stagnation. Without corrective action, these divides threaten to undermine social cohesion and economic stability.

Erosion of social cohesion and institutional trust

Rapid or poorly managed transitions can erode citizens' trust in institutions and democratic processes. If people perceive that the costs of change are borne disproportionately by vulnerable groups, political polarisation and resistance to reform are likely to grow. This is a risk in all scenarios but is particularly acute in Scenario 4, where slower technological progress and economic constraints limit the perceived benefits of climate action, potentially fuelling backlash against environmental regulation.

Persistent skills mismatches

A recurrent vulnerability across scenarios is the misalignment between workforce skills and labour market needs. In Scenario 1, the challenge is meeting the surging demand for advanced green and digital skills at speed. In Scenario 4, the problem lies in ensuring that even low-growth economies with slow technology adoption can equip workers for emerging forms of employment. In both cases, education and training systems risk lagging behind the structural shifts in work.

Fiscal pressure and constrained policy space

All scenarios face fiscal pressures, though the causes differ. In low-growth settings (Scenarios 3 and 4), reduced tax revenues from fragmented markets and precarious work limit the scope for welfare expansion or public investment. In high-change contexts (Scenario 1), the scale of investment required for the green and digital transitions strains public budgets, even in relatively strong economies. Ageing populations add an additional layer of fiscal stress across all scenarios, potentially crowding out resources for forward-looking investments.

4.1.2. CROSS-CUTTING OPPORTUNITIES

Leveraging transitions for economic renewal

In scenarios with strong technological and global integration (Scenario 1), there is significant potential to position Europe as a global leader in green and digital innovation. Coordinated industrial strategies can harness global value chains, attract investment, and create high-quality jobs in emerging sectors. The key to realising this opportunity lies in ensuring that these gains are broadly shared, avoiding the deepening of inequalities seen in past waves of globalisation.

Strengthening regional resilience in lower-growth contexts

In more protectionist or slower-growth scenarios (Scenarios 3 and 4), opportunities emerge in relocalising economic activity and building self-reliant regional economies. Investment in circular mobility, local skills development, and place-based industrial policies can turn deglobalisation from a constraint into a driver of resilience. These approaches can reduce dependency on volatile global markets while revitalising regions at risk of long-term decline.

Education and skills as a strategic lever

Across all futures, education reform and lifelong learning are critical enablers of resilience. Embedding sustainability, digital literacy, and adaptability into curricula prepares both current and future generations for evolving labour markets. Industry–academia partnerships, as in the Academia–Industry Competence Pact proposed for Scenario 4, offer a replicable model for aligning training with labour market needs, even in resource-constrained contexts.

Welfare system innovation

The scenarios point to a shift in welfare thinking from passive compensation to active empowerment. Mechanisms like the European Transition Support Mechanism proposed under Scenario 1 can combine income security with requirements for reskilling, accelerating reintegration into the workforce. In more constrained settings, expanding direct provision of essential services, as in

the Decommodification of Essential Services policy in Scenario 4, reduces vulnerability to labour market volatility and delivers protection in fiscally sustainable ways.

4.1.3. SUMMARY OF THE RISKS AND OPPORTUNITIES

The cross-scenario analysis suggests that while the scale and form of the risks vary, they cluster around five recurring themes: labour market disruption, inequality, skills mismatches, social cohesion, and fiscal constraint. Opportunities also cluster in five domains: harnessing transitions for growth, building regional resilience, reforming skills systems, innovating welfare provision, and leading the green transition.

The implication for policy is clear: preparing for multiple futures requires building flexible, adaptive systems in labour markets, education, welfare, and industrial policy. By focusing on interventions that deliver benefits under all scenarios — such as skills reform, place-based development, and sustainable service provision — Europe can strengthen its resilience while remaining agile enough to seize the distinct opportunities each scenario presents.

4.2. STRUCTURAL CHALLENGES FOR POLICY AND GOVERNANCE

The foresight exercise shows that Europe faces a set of deep and persistent obstacles in the way policies are designed, coordinated, and implemented. These obstacles cut across all four scenarios, regardless of whether the context is one of high or low global integration, rapid or slow technological change, or ambitious or moderate climate action. They are structural in nature, rooted in how governance systems are organised and how political and institutional incentives operate, and they make it harder to steer the profound transformations in economy, society, and environment that lie ahead.

Responsibility for implementing labour market reforms, education policies, welfare innovations, and industrial transition programmes is spread unevenly among the European Union, national governments, and subnational authorities such as regions and municipalities. While the EU provides overarching frameworks and funding, the bulk of the operational execution remains with Member States—and often even more so with regional or local actors. This fragmentation is exacerbated by sectoral silos: climate strategies, industrial policy, labour reform, education, and welfare often proceed independently, without sufficient coordination. Even in contexts of high European integration, weak coordination between policy domains can slow the consistent translation of EU strategies into national and regional practice. Research has shown that fragmented, siloed policymaking often prevents the effective alignment of climate, industrial, labour, and welfare policies, even when strong integration frameworks exist (Cejudo and Trein, 2023). In more protectionist or inward-looking settings, these divergences between Member States' approaches can further undermine the effectiveness of collective action, producing uneven outcomes and weakening the coherence of the European social model (Buylovaa et al., 2025; Zelli & van Asselt, 2013).

The timelines of political and budgetary cycles are also out of sync with major transitions. Transformations such as decarbonisation, the adoption of new industrial technologies, and the restructuring of welfare systems take decades, but most political mandates last only a few years. Budget allocations are typically negotiated on annual or short-term multiannual bases, with priorities shifting when governments change. This short-termism creates a bias towards measures that

produce quick and visible results, even if they are misaligned with long-term needs. In scenarios of rapid technological change and global competition, this lag leaves policies chasing events rather than shaping them. In slower-moving scenarios, the danger is not being caught off guard by sudden disruption, but rather the quiet erosion of competitiveness and resilience through chronic underinvestment.

Disparities in administrative capacity continue to present serious obstacles to effective governance across Europe. The ability to design, implement, monitor, and enforce complex programmes varies significantly among Member States—and even more markedly between regions (Bachtler et al. 2024; Marko et al. 2024) https://www.tandfonline.com/doi/full/10.1080/00343404.2023.2276887?utm_source=chatgpt.com. Some regions benefit from strong institutional infrastructure, skilled personnel, and up-to-date digital systems, whereas others struggle with under-resourced staff, legacy procedures, and poor inter-agency coordination. These capacity gaps risk entrenching inequalities: better-equipped areas are able to absorb EU funding and harness policy opportunities, while less prepared regions fall further behind (OECD 2025c; Marko et al. 2024). In futures marked by constrained resources, such divergence threatens to become a critical fault line in Europe's cohesion.

Competing objectives in the economic, social, and environmental spheres are often managed in parallel rather than in an integrated way. Climate policy can generate economic winners and losers, just as technological change can simultaneously create opportunities for high-skilled workers and displace others into insecure employment. Social policies designed to cushion these shocks may be seen as costly burdens on competitiveness if they are not aligned with strategies for industrial upgrading and innovation. Without deliberate integration, policy choices can create trade-offs that erode public support, making it harder to sustain transitions over time. This risk is heightened in scenarios where adjustment costs are immediate and tangible, but the benefits of change are slower to appear.

These structural features do not exist in isolation but reinforce one another. Fragmentation of authority makes it harder to align short-term political incentives with long-term goals. Capacity gaps limit the uptake of integrated approaches that could reconcile competing objectives. A reactive policy culture compounds the risks of short-termism, especially where political turnover is high. As a result, even well-intentioned and well-designed policies often fail to reach their full potential, undermining both resilience and strategic advantage.

Addressing these challenges demands a comprehensive rethinking of how governance in Europe is conceived, organised, and sustained. Enhanced coordination across governance levels must be accompanied by stronger incentives for joint planning and co financing—ensuring that strategies in skills, industrial policy, and welfare are not merely aligned in theory, but consistently implemented where it matters most. Embedding long term commitments to transition goals through binding frameworks, supported by independent monitoring mechanisms, would help preserve policy continuity across political cycles. Crucially, investment in administrative capacity—especially at regional and local levels—is vital for enabling all parts of Europe to act on shared priorities (OECD 2022; OECD 2025b). Integrated policymaking should be reinforced by joint budget lines and cross sectoral task forces to reduce trade-offs between competing priorities (OECD 2025b). Finally, foresight and adaptive planning must evolve from ad hoc exercises into standard practice, so that policies remain relevant and responsive to shifting conditions (Cairney 2025). This reflects

a broader issue observed in the institutionalisation of foresight itself, which Gaïti and Georgakakis (2024) describe as fragile and contested, dependent on shifting institutional and political contexts. This does not imply a shift of authority away from the EU. Instead, the emphasis is on better articulation between the EU and Member States, with enhanced cooperation across all governance levels—from EU institutions to regional and local authorities. It calls for better-designed multi level governance mechanisms and shared responsibility, rather than centralisation or fragmentation.

Only by addressing these deep-rooted governance challenges can Europe hope to navigate the uncertainties outlined in the scenarios and manage the ecological, technological, and social transformations ahead in a way that is both effective and equitable.

5. Conclusions

5.1. SUMMARY OF KEY FINDINGS

The The project combined four contrasting scenarios with two Delphi-like surveys to explore possible futures for Europe's labour markets, welfare systems, and socio-economic structures up to 2040. The scenarios examined different mixes of global integration, climate ambition, and technological change, while the surveys gathered expert views on the plausibility, impacts, and policy needs of these futures. Together, this approach highlighted key cross-cutting findings as well as insights specific to each scenario.

Across all scenarios, the twin transitions to a green and digital economy will have profound labour market consequences, but the pace, distribution, and social impact of these changes will differ. The Delphi-like survey confirmed a strong consensus among experts that climate action and digitalisation will remain defining drivers of change in the coming decades, regardless of geopolitical or economic conditions. In Scenario 1, where globalisation is high, climate policy is strong, and technology change is rapid, the potential for job creation in renewable energy, advanced manufacturing, and digital services is substantial. Yet the same scenario also revealed, through survey responses and workshop debate, the risk of structural unemployment and skills mismatches if transitions are not supported by targeted reskilling, labour mobility measures, and income protection. In Scenario 4, by contrast, where technology adoption is slow and global integration is limited, the challenge lies in the persistence of low-quality, insecure work, with fewer opportunities for workers to upgrade their skills or move into better-paid sectors. These divergent patterns underscore the need for policy responses that are context-sensitive yet consistently focused on inclusion.

The analysis also highlights that inequality between skills groups, regions, and generations is a systemic feature across all futures. The Delphi-like survey indicated broad agreement that regional disparities, already significant today, are likely to intensify under most scenario conditions without deliberate intervention. In high-integration, high-innovation futures such as Scenario 1, dynamic urban regions capture the majority of investment and high-value jobs, while rural and post-industrial regions risk decline. In more protectionist or low-growth futures such as Scenario 3 or 4, uneven access to infrastructure, investment, and quality education reinforces geographic divides, limiting the adaptability of lagging regions. Survey participants flagged this as a critical risk for social cohesion and political stability, noting that it could fuel polarisation and resistance

to transition policies. Without targeted regional strategies, transitions risk deepening inequalities and weakening collective resilience.

Welfare systems are both a crucial line of defence and an area under considerable strain. Survey respondents widely agreed that existing welfare models, designed for an era of stable, full-time work, are ill-suited to the volatility and complexity of modern labour markets. In scenarios with fiscal space, such as Scenario 1 and to some extent Scenario 2, there is scope to redesign social protection to combine income security with active measures, for instance by linking time-limited benefits to participation in reskilling or redeployment programmes. In more resource-constrained futures such as Scenario 4, the survey highlighted the importance of expanding the direct provision of essential services — housing, childcare, education, public transport — as a more sustainable way of maintaining stability without over-reliance on monetary transfers. The workshops reinforced that innovation in welfare design is not optional but essential if inclusiveness is to be preserved and fiscal sustainability maintained.

Education and skills systems are strategic levers across all scenarios. The Delphi-like survey identified skills mismatches as one of the most probable and impactful risks in the medium to long term. This finding cuts across scenarios: in rapid-change contexts (Scenarios 1 and 2), the urgency lies in scaling up advanced green and digital skills at pace, while in slower-change contexts (Scenarios 3 and 4), the priority is to ensure that even modest technological and ecological shifts can be met with adaptable, work-ready labour forces. Workshop discussions emphasised the need for long-term curriculum reform, stronger links between academia and industry, and substantial investment in lifelong learning — accessible to the employed, unemployed, and those outside formal education. In both the survey and workshops, participants warned that without aligning skills provision to future needs, the benefits of the green and digital transitions will remain concentrated among the already advantaged.

Governance capacity emerges as a decisive factor in determining whether these transformations will be inclusive and sustainable. Persistent fragmentation of authority, misalignment between political cycles and transition timelines, and uneven administrative capacity were identified in the Delphi-like survey as significant constraints on effective action. In high-integration scenarios, coordination gaps between EU-level strategies and national or regional delivery slow the pace of change. In fragmented futures, inconsistent approaches between Member States risk eroding the coherence of the European social model. Workshop debates repeatedly returned to the point that without mechanisms to coordinate strategies across sectors and territories, climate, industrial, labour market, and welfare policies will pull in different directions, leading to duplication, inefficiency, and missed opportunities.

Resilience is closely tied to the distribution of resources and opportunities. The survey confirmed that societies with narrower income and skills gaps are better able to adapt to shocks, whether environmental, technological, or economic. Policies that broaden access to skills, secure livelihoods, and essential services strengthen resilience in every scenario. In Scenario 1, this resilience supports rapid industrial transformation without social backlash. In Scenario 4, it cushions the impacts of slow growth and limited innovation. The converse is also true: in futures where inequalities widen unchecked, adaptability weakens, political resistance to change grows, and transitions risk becoming destabilising. Resilience, as highlighted in both the survey and workshops, is not

simply about crisis preparedness but about building systems that embed fairness and flexibility into everyday functioning.

Climate policy offers both a necessity and a strategic opportunity for Europe. Survey participants were clear that strong climate action will remain a structural driver across scenarios, but its economic and social impacts will depend on alignment with broader policy goals. In Scenario 1, large-scale industrial investment aligned with climate targets can underpin competitiveness and generate high-quality employment. In Scenario 4, smaller-scale, community-based innovations and localised service provision can deliver resilience and quality-of-life gains even in the absence of rapid technological progress. Workshops underlined the importance of aligning environmental ambition with economic and social objectives from the outset, to prevent climate policy from being framed as a burden rather than a shared path to prosperity.

Taken together, these findings point to strategic priorities that are robust across very different possible futures. Labour market adaptability, inclusive welfare provision, education and skills reform, integrated governance, and equitable climate action are all “no-regrets” areas for investment. The Delphi-like surveys and scenario workshops together show that these priorities hold whether Europe’s future is marked by rapid technological advance and deep global integration, or by slower change and greater fragmentation. At the same time, the specific sequencing and design of interventions must be tailored to context, making scenario-based thinking and adaptive governance essential for effective long-term planning.

Finally, the foresight process itself has demonstrated that engaging stakeholders from across sectors and regions in structured, forward-looking dialogue produces actionable insights. By confronting participants with contrasting yet plausible futures and testing them against expert assessments in the Delphi-like surveys, the exercise revealed both the common threads of strategic importance and the context-specific challenges that require targeted solutions. These combined insights now provide a foundation for policy recommendations that can help Europe navigate the coming decades of transformation, ensuring they lead to a more inclusive, competitive, and resilient European social and economic model.

5.2. CHANGING CONTEXT BETWEEN THE FIRST ET SECOND WORKSHOPS

Both workshops and the Delphi-like surveys took place during a period from autumn 2024 to summer 2025 in which the “multi-crises” of the pandemic, climate change, wars and cost of living in many countries met with considerable changes and disruptions in national and transnational political systems and modes of governance. Considering the axes of the scenario matrix, it should be noted that both "technological change" and "policy coordination and ambition" were subjects of massive concern in both public debate and policy during the time of the Foresight exercise. Advances in AI in combination with crises in many manufacturing sectors central to European economies suggested disruptive changes. The election of Donald Trump as US president in November 2025 was emblematic here, bringing in an administration with a decidedly anti-institutional and disruptive agenda pursued by a volatile alliance of Conservative, far-right and tech-libertarian actors. and general elections in Austria, Germany, Romania and Croatia (and already for the European Parliament in summer 2024) brought increased votes for far-right parties, wide debate over the effectiveness of cordons sanitaires, and some uptake of issues and policies promoted by the far right by more Centrist parties. Crises and transition challenges in varied European industries

and public debt incurred during and after the pandemic in the face of persistent needs for public investment in infrastructure, decarbonisation and increasingly, defence, are feeding into new rounds of welfare state retrenchment as well as reconsiderations of the role of public investment.

All these factors contribute to a multiplied sense of volatility of "megatrends" (a notion that assumes a degree of continuity), of potential or actual vulnerability of institutions, governance and expertise. This configuration also challenged the foresight exercise. Foresight as a transdiscipline is more or less based on the assumptions that trends as well as challenges, opportunities, policies and strategies are somewhat coherent, drivers and mechanisms of change are identifiable and to some extent manageable, complex as they may be (for “disruptive” versus “manageable” notions of the future, see White, 2025). Such assumptions may function as “productive illusions” to generate ideas and expand the boundaries of what may be achievable, but may also lead to some detachment and wishful thinking where politically desirable wording is mistaken for actual achievement (Nassehi, 2024).

While participants in both workshops and surveys willingly took the assumptions of the methodology on board and abided by the rules of the format, some uncertainty or ambivalence was noticeable. Apart from dinner conversations, and some jokes (about being “cheerfully pessimistic”, for example), some results may be interpreted through the lens of that uncertainty: for example, the 85.5% of experts in the first survey round that found scenario 2 of rapid technological change and decreasing global coordination the most plausible, or the convergence of expectations that polarisation in labour markets and working conditions or disproportionate disadvantage to the low-skilled are likelier than other developments suggest limited confidence in the possibility of social progress beyond mitigation of these impacts. This does not disprove the value of the exercise – after all, experts are concerned citizens, migrants, carers and human beings as well. Indeed, it provides an opportunity and necessity to reflect on the assumptions of foresight and explore the ways in which the current constraints of policy and expertise might be loosened and political imagination widened.

5.3. REFLECTIONS ON FORESIGHT AS A POLICY TOOL

The experience of combining scenario building, Delphi-like surveys and participatory workshops in this project has underlined the value of foresight as a structured policy tool. At its core, foresight does not attempt to predict a single future; rather, it creates a systematic space for exploring a range of plausible futures and the pathways that could lead to them. This approach allows policymakers, stakeholders and experts to step outside the constraints of day-to-day decision-making and consider how different combinations of drivers — in this case, global economic integration, climate ambition and technological change — might interact over time to shape Europe’s labour markets, welfare systems and social cohesion.

The scenarios constructed for this exercise proved to be a powerful way of illustrating different outcomes. By setting out four coherent but contrasting futures, they provided a framework in which participants could identify both context-specific challenges and cross-cutting priorities. Narratives made abstract trends tangible, showing how policy choices, external shocks or technological developments could play out in practice. The addition of the Delphi-like survey brought an evidence base grounded in expert judgement (both from the online surveys and the workshops), capturing assessments of the likelihood and impact of different developments.

A key strength of the process was its capacity to foster dialogue across disciplines and governance levels. The workshops, structured around scenario exploration and policy co-design, created a shared space for testing assumptions, challenging conventional wisdom and learning from diverse perspectives. The use of structured templates, clear facilitation and integration of survey results kept discussions focused and productive, producing concrete policy recommendations rather than drifting into open-ended debate. Recording group discussions and presentations — with participants' consent — ensured that valuable insights were preserved for later analysis.

Foresight also proved useful in identifying "no-regrets" policy areas — measures likely to deliver benefits under many possible futures. By testing actions against multiple scenarios, participants saw which priorities held whether Europe experienced rapid technological change and deep global integration or slower growth and greater fragmentation. This is particularly important in today's climate of uncertainty, where the costs of inaction can be high. While the sequencing and scale of measures may need to be adapted to context, some priorities — such as skills development, inclusive welfare provision and integrated governance — were consistently relevant.

The process also highlighted certain limitations. Translating long-term insights into short-term political action is not automatic. Policymakers operate within electoral cycles, budget constraints and institutional mandates that can make it difficult to act on foresight recommendations, especially when benefits are long-term and costs are immediate. There is a risk of treating scenarios as one-off exercises rather than part of an ongoing strategic capacity. Without follow-up, monitoring and revision, the relevance of insights can fade as conditions change.

Another reflection concerns the balance between expert input and broader engagement. The Delphi-like survey ensured a strong evidence base from knowledgeable respondents, and the workshops brought together a range of stakeholders. Yet there is scope to involve citizens, community organisations and groups directly affected by transitions. Doing so could make the process more responsive to lived experience and strengthen the legitimacy of recommendations, increasing the likelihood of implementation.

Finally, the process demonstrated its value not only in generating knowledge but in building institutional capacity. For many participants, engaging with the scenarios and survey results was itself a form of training in adaptive governance: thinking in systems, weighing trade-offs and planning under uncertainty. This learning function is an often-overlooked benefit of foresight and is essential if institutions are to remain agile and responsive in the face of rapid change.

This task shows that foresight, when applied rigorously and inclusively, can complement traditional policy analysis. It can help identify robust strategies, uncover emerging risks and align stakeholders around shared priorities. To realise its full potential, it should be embedded in ongoing decision-making, linked to mechanisms for policy adaptation and connected to both expert and public perspectives. Used in this way, foresight is not just a tool for anticipating the future — it is a means of shaping it.

5.4. LIMITATIONS AND FUTURE DIRECTIONS

5.4.1. LIMITATIONS OF THE FORESIGHT EXERCISE

While the foresight exercise has generated valuable insights into the possible futures of Europe's labour markets, welfare systems, and social cohesion, it is important to recognise its limitations and consider how future exercises could build on and improve this approach.

A first limitation lies in the scope of the scenarios. The four futures developed in this project were designed to capture the interaction of three key drivers — global economic integration, climate policy ambition, and technological change — and to illustrate contrasting outcomes. While these parameters were grounded in research and expert consultation, they inevitably leave out other forces that may prove equally decisive. For example, the scenarios did not explicitly model political instability within Member States, large-scale migration crises, or disruptive global security events. These factors could significantly alter the trajectories outlined, and their absence limits the comprehensiveness of the exercise. Future iterations could expand the scenario framework to incorporate a wider set of uncertainties, including geopolitical shocks, social movements, and demographic tipping points.

A second limitation is the time horizon. The focus on 2040 provided sufficient distance to explore structural changes, but some developments — particularly in technology — may unfold at a pace that renders key assumptions obsolete sooner than expected. Conversely, deep institutional reforms in areas such as welfare systems may take decades to mature, meaning their full effects might lie beyond the time frame considered. Shorter-term scenario layers, nested within the 2040 horizon, could provide a bridge between immediate policy choices and long-term strategic goals, helping policymakers better understand how early decisions set the stage for future outcomes.

The Delphi-like survey provided a structured way to capture expert assessments of probability and impact, but participation was limited to a defined set of stakeholders. While this helped ensure quality and relevance of responses, it may have introduced a degree of bias, as the pool of experts inevitably reflects certain disciplinary, institutional, or regional perspectives. Including a broader and more diverse respondent base in future surveys — for instance by incorporating civil society organisations, trade unions, youth representatives, and citizen panels — could enrich the assessment of risks and opportunities. In parallel, iterative survey rounds could be expanded to track how perceptions shift as new evidence or events emerge.

Workshop discussions revealed another challenge: translation from foresight insights to actionable policy. The process succeeded in generating concrete policy recommendations for each scenario, but the political feasibility, resource implications, and sequencing of these measures were not fully explored. This reflects a broader limitation of many foresight exercises: the tendency to stop at the stage of identifying desirable policies without moving into detailed implementation pathways. Future exercises could integrate a final stage dedicated to operationalising recommendations, including governance arrangements, funding sources, and monitoring mechanisms.

The geographic and sectoral coverage of the workshops also has limits. While the mix of participants ensured a range of perspectives, representation from some regions and sectors was less robust. In particular, voices from Eastern and Southern Europe, rural areas, and small or micro-enterprises were under-represented relative to their importance in the European labour

market and welfare landscape. Future foresight activities could address this by embedding more decentralised engagement formats, such as regional workshops or sector-specific focus groups, and by making greater use of digital tools to widen participation.

Finally, the foresight exercise was conducted as a time-bound project, meaning that its results provide a snapshot rather than a living, adaptive knowledge base. Yet the transitions examined — green, digital, demographic, and social — will evolve continuously, and the assumptions underpinning the scenarios will need to be revisited. Establishing an ongoing foresight capacity at the European level, with periodic updates to scenarios and continuous integration of new data, would help ensure that insights remain relevant and actionable over time. Linking this to policy cycles — for example, the programming of the EU's Multiannual Financial Framework — could embed foresight into the rhythm of decision-making.

5.4.2. FUTURE DIRECTIONS

To share the first results of the WeLaR foresight exercise, a webinar was held on 26 June 2025 under the title "Anticipating the Future: Foresight Approaches for Labour Markets and Welfare in Europe." The event brought together 25 researchers, policymakers, and foresight experts from across Europe to examine how scenario-based thinking can inform long-term strategies for labour markets and welfare systems. Speakers from the OECD Strategic Foresight Unit, the University of Groningen, the ILO, and RAND Europe offered diverse perspectives on the exercise, sparking discussions on the role of anticipatory approaches in building more resilient and inclusive policies. These exchanges helped identify strategic directions for strengthening the use of foresight as a policy tool in future initiatives.

First, widen the scope of drivers and uncertainties. While the three core drivers in this project provided a clear and manageable framework, future work could broaden the analytical lens to include political, cultural, health, and security dimensions. This would allow scenarios to capture systemic shocks — such as pandemics, migration surges, or geopolitical conflicts — that may reshape the policy landscape as profoundly as economic or technological trends.

Second, adopt multi-horizon scenario planning. Nesting short-term (5–7 years), medium-term (10–15 years), and long-term (20+ years) scenarios within a single exercise would allow policymakers to see how immediate decisions influence long-term trajectories. This would make it easier to connect strategic foresight with operational planning and budgetary cycles, increasing the likelihood that insights will feed into concrete action.

Third, expand participation both in the Delphi-like surveys and in the workshops. A more inclusive participant base — spanning policymakers, social partners, academics, citizens, and sectoral experts from under-represented regions — would enrich the range of perspectives and reduce blind spots. Hybrid engagement formats, including online platforms and participatory digital tools, could ensure broader reach without excessive cost.

Fourth, integrate implementation planning into foresight outputs. Scenario-based policy recommendations should be accompanied by roadmaps that outline governance responsibilities, financing mechanisms, legal frameworks, and monitoring arrangements. This would help bridge the gap between desirable future visions and politically feasible action, ensuring that foresight informs real-world change rather than remaining a theoretical exercise.

Fifth, embed foresight into institutional practice. Establishing a standing foresight function within relevant EU and national institutions would allow for continuous monitoring of emerging trends, regular scenario updates, and rapid adaptation of strategies as conditions evolve. This could include a formal link between foresight updates and EU multiannual budgetary and legislative planning, ensuring that long-term thinking is systematically integrated into decision-making.

Finally, foster a foresight culture among policymakers and stakeholders. Beyond producing scenarios and surveys, future work should focus on building the skills, mindsets, and organisational habits needed for adaptive governance. This could involve foresight training for civil servants, joint scenario exercises across ministries, and embedding foresight checkpoints into policy design processes. In the long term, cultivating this culture may be as important as any specific set of scenarios in preparing Europe for the challenges and opportunities ahead.

6. Annex

6.1. A.1 FIRST FORESIGHT WORKSHOP PARTICIPANTS' PACKAGE

Package for participants

About this document

We are delighted that you have accepted our invitation to join the first WeLaR foresight workshop. Your participation in this exercise is essential to shaping forward-looking and inclusive strategies for Europe's labour markets and welfare systems by 2040.

This document is designed to prepare you for the workshop by providing a brief overview of its context, objectives, and methodology. It includes the workshop programme, a list of indicators to be considered and additional materials such as illustrative newspaper articles and the WeLaR project leaflet. These resources are intended to spark your curiosity and stimulate your thinking ahead of the event.

While it is not necessary to read this document in detail before the workshop—everything will be explained on the day—we hope you find it a helpful and engaging preview of what to expect.

We look forward to exploring the future with you!

Introduction to the workshop

WeLaR project and context

The **WeLaR (Welfare systems and Labour market policies for economic and social resilience in Europe)** project is an ambitious European research project designed to tackle the multifaceted challenges arising from four major megatrends shaping European societies: demographic shifts, globalisation, technological transformation, and the green transition. These forces are not only reshaping labour markets and welfare systems but also redefining the socio-economic fabric of Europe. The WeLaR project aims to provide robust, evidence-based insights and innovative policy recommendations to enhance resilience, inclusivity, and sustainability across Europe. With the collaboration of 10 universities and research centres, from all over Europe, the project will end in fall 2025.

Against this backdrop, the green transition and rapid technological advancements stand out as transformative forces with profound implications for the European Union's labour market and welfare systems. As policymakers and stakeholders navigate these changes, it is critical to anticipate future challenges and opportunities while ensuring that vulnerable groups—such as older workers, migrants, and NEETs—are not left behind. The foresight process provides a structured approach to envision possible futures and identify strategies that can help Europe's labour markets and welfare systems adapt and thrive.

This workshop is part of a broader foresight effort within the WeLaR project. By bringing together diverse perspectives from experts, policymakers, and practitioners, this process

seeks to co-create scenarios and policy pathways that address the uncertainty surrounding these megatrends and their intersection with labour market and welfare state developments.

Objectives of the workshop

The primary objective of this workshop is to develop a shared understanding of how European labour markets and welfare systems might evolve by 2040 under different combinations of technological and climate policy scenarios. Participants will collaborate to explore four distinct futures through the lens of the **scenario matrix framework**, structured around two critical uncertainties: the pace of technological change (fast or slow) and the stringency of climate policy (strict or mild). These scenarios will provide the foundation for subsequent policy-oriented deliberations.

The workshop has several specific aims:

- **Scenario construction**: To collaboratively define and develop the narratives for four distinct scenarios that capture the interplay between technological change, climate policy, and contextual megatrends like demographic shifts and globalisation.
- **Risk and opportunity identification**: To analyse how each scenario affects labour markets and welfare systems, identifying key challenges, risks, and opportunities.
- **Indicator development**: To agree on a set of labour market, welfare system, and demographic indicators to be used to assess the impacts and outcomes of their scenarios.

This workshop adopts a "policy-free" approach, meaning it deliberately focuses on business-as-usual scenarios without incorporating the potential effects of major policy interventions. By doing so, the workshop aims to establish a baseline understanding of how key megatrends might unfold if left to their natural course, free from significant external influence. This methodology ensures that the scenarios developed are grounded in current trajectories and can serve as a neutral and reliable reference point. In the next phase of the project, these scenarios will provide a robust framework for more targeted, policy-oriented deliberations, enabling stakeholders to explore the implications of potential interventions against a well-defined baseline.

The foresight process

Foresight is a systematic, participatory, and multi-disciplinary approach that helps stakeholders explore potential futures and develop strategies to navigate uncertainty. In this workshop, we adopt **explorative scenario planning**, a methodology designed to consider diverse possibilities for the future and stimulate forward-looking thinking.

The process begins with identifying and framing **key uncertainties**—in this case, the pace of technological advancement and the stringency of climate policy—both of which will shape the trajectories of labour markets and welfare systems. These uncertainties are combined into a **scenario matrix**, producing four plausible and internally consistent futures. Participants will enrich these scenarios by incorporating contextual megatrends such as demographic change and globalisation.

The output of this workshop will be validated and refined through a **Delphi survey**, where a broader group of experts will provide feedback on the scenarios. In a second workshop in March 2025, participants will build on today's work by employing a **backcasting methodology**. This approach starts with defining a desired future and works backward to identify the policies and actions necessary to achieve it.

By engaging in this foresight process, participants contribute to shaping a forward-looking framework that integrates evidence, diverse perspectives, and practical insights. This workshop represents the first crucial step in designing innovative and inclusive policies that prepare Europe's labour markets and welfare systems for the challenges and opportunities of tomorrow.

Welar Workshop

Thursday 28th November 2024 | 09:30 am – 4:30 pm
The Nordic House, Rue du Luxembourg 3, Brussels

Foresight workshop programme:
Exploring the long-term impacts of megatrends on European labour markets and welfare systems

9:30 am – 10:00 am	Coffee and registration
10.00 am – 10.15 am	**Welcome and introduction** • Overview of the workshop objectives and agenda • Participant introductions • Introduction to the concept of scenario planning and the purpose of exploring megatrends in this context
10.15 am – 11.15 pm	**Setting the scene: overview of the megatrends** • Present key megatrends and uncertainties • Discuss key indicators
11.15 am – 12.00 pm	**Introduction to the scenario matrix and quadrants** • Explain the scenario matrix, describing the four quadrants based on technology growth, climate policy stringency and globalisation, and the implications of each
12.00 pm – 1.00 pm	Lunch
1.00 pm – 2.30 pm	**Building the scenarios** • Small-group work, with each group assigned one of the four scenarios from the matrix • Groups develop each scenario, focusing on implications for labour markets and welfare systems under their assigned combination of uncertainties • Groups explore broader effects on society, policy, and economy, identifying key drivers and outcomes within each scenario

Funded by the European Union

WeLaR is an interdisciplinary research project examining the impact of four megatrends – digitalisation, globalisation, climate change and demographic shifts – on labour markets and welfare states in Europe.

www.projectwelar.eu

2.30 pm – 2.45 pm	Break
2.45 pm – 4.15 pm	**Scenario narratives** • Each group presents their scenario narrative and indicates both positive and negative impacts, who wins and who loses in each scenario • Rating the scenarios
4.15 pm – 4.30 pm	Wrap up and next steps

Background indicators

Below is a list of indicators categorised by topic to guide discussions during the workshop.

1. **Megatrends**:
   These are background (exogenous) indicators designed to support scenario-building by providing context and trends shaping the external environment.
2. **Outcomes**:
   These are proposed indicators for assessing the potential impacts of each scenario, organized into key thematic areas.

Outcomes to be considered in scenarios

Labour market outcomes

a. Overall employment levels:

- **1.** Employment rate (20-64 years).
- **2.** Employment rate (65-74 years).
- **3.** Employment rate of low-skilled individuals (20-64 years) / *tesem080*.
- **4.** Employment rate of non-EU nationals (20-64 years) / *tesem090*.
- **5.** Inactive population as a percentage of the total population.

b. Composition of employment:

- **6.** Gender employment gap / *tesem060*.
- **7.** Part-time employment rate.
- **8.** Temporary contract prevalence.
- **9.** Share of self-employed individuals, by age and gender.

c. Education and skills:

- **10.** Adults (25-64 years) participating in lifelong learning.
- **11.** Percentage of individuals with basic digital skills.

Well-Being, Welfare State, and Social Cohesion Outcomes

- **12.** At-risk-of-poverty rate, including breakdowns for the general population and retirees.
- **13.** Income inequality: Income quintile share ratio (S80/S20) by sex / *tessi180*.
- **14.** Overall life satisfaction, disaggregated by educational attainment

Megatrends Indicators

1. Ageing and Demographics

- **15.** Total population projections (2000–2040).
- **16.** Population projections under low and high migration scenarios.
- **17.** Working-age population (20–64 years) as a share of the total population (2000–2040).

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- **18.** Extended working-age population (20–70 years) as a share of the total population (reflecting increasing pension ages).
- **19.** Old-age dependency ratio:
  - **a.** 65+ as a share of 20–64.
  - **b.** 70+ as a share of 20–69.
- **20.** Average age of employed persons (20–74 years) (2000–2040).

2. Climate Change and Green Transition

- **21.** CO2 emissions trends for the EU (up to 2024).
- **22.** Expected sectoral changes and labour demand under "strict" versus current environmental regimes.

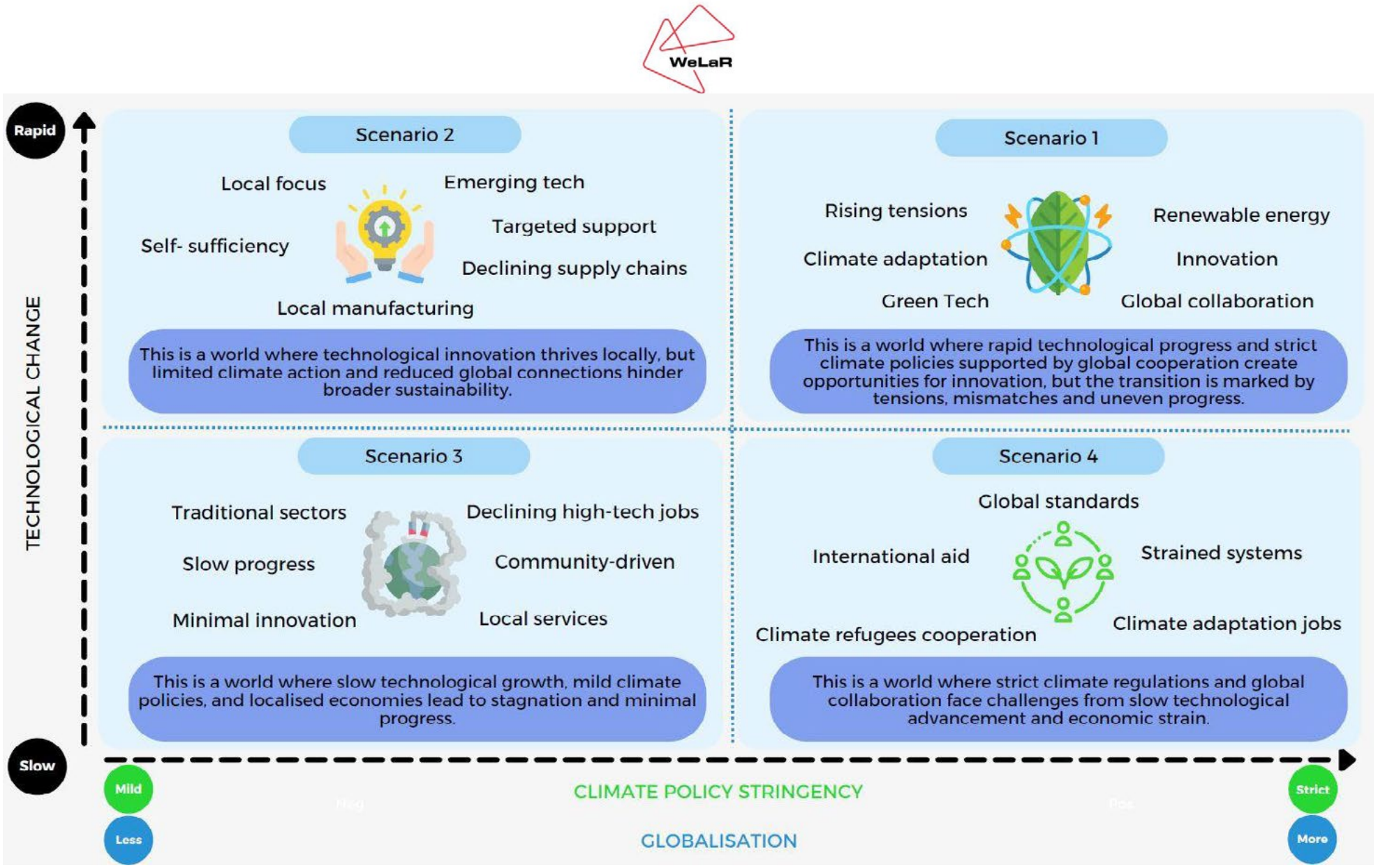
3. Globalisation

- **23.** Trade openness: Ratio of exports and imports to GDP.
- **24.** FDI flow intensity and market integration.
- **25.** Migration into the EU.

4. Digitalisation

- **26.** ICT capital stock and investment levels.
- **27.** Robot installations.
- **28.** Firm digitalisation.

Funded by the European Union



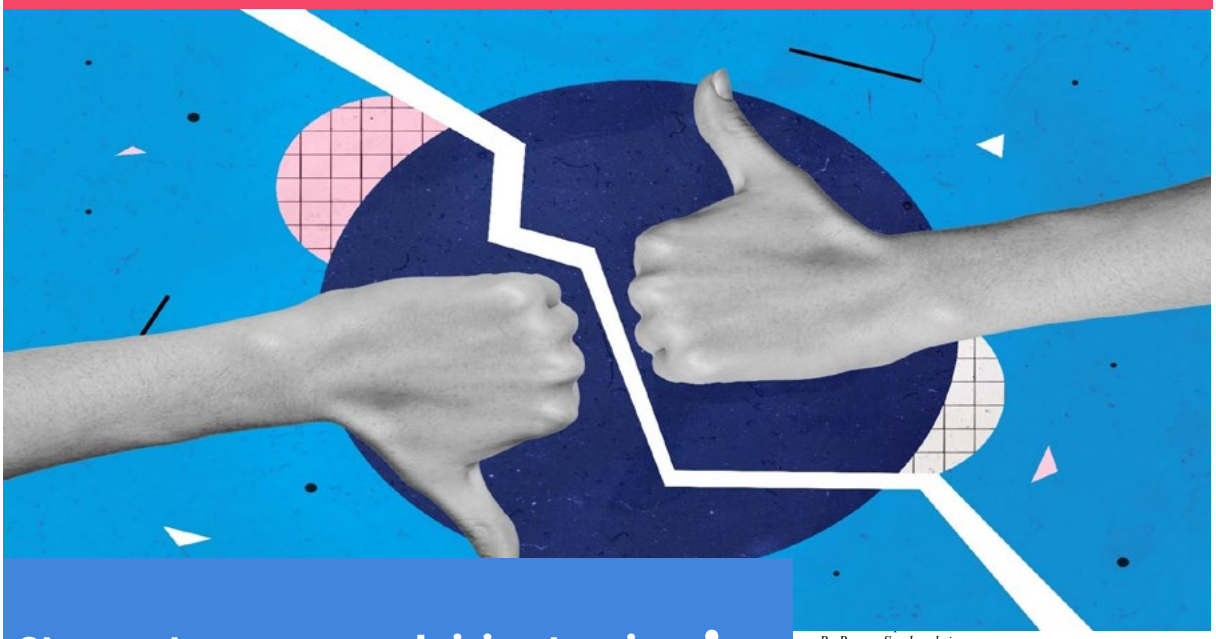
The 4 scenario

Funded by the European Union

4 newspaper articles

Each scenario is introduced with a newsletter article of the future.

Funded by the European Union



By Roman Samborskyi

Stagnant progress and rising tensions: The World in 2040

MIRJAM NILSSON

In 2040, the pace of technological advancement has slowed relative to the incremental progress of the past two decades. Contrary to earlier predictions, artificial intelligence (AI) has not become a transformative force. Instead, using AI has become a basic skill akin to operating office software—a tool integrated into daily routines but lacking groundbreaking impact.

The slow evolution of technology extends to clean energy innovations, which have seen a deceleration in development. Renewable energy solutions remain largely unchanged, and the anticipated breakthroughs in sustainability have yet to materialize. The labor market and educational systems reflect this gradual change, adapting slowly to new demands without significant overhauls.

Amid this environment, obtaining universally accepted truthful information remains a challenge. Diverse perspectives and a multitude of information sources make consensus on basic facts increasingly elusive, complicating public discourse and policy-making.

Climate concerns and fragmented responses

Climate change has become a direct and pressing concern for large portions of the global population. Increased instances of extreme weather and frequent flooding have disrupted communities and economies. However, mitigation efforts are predominantly individualistic and localized. Without strict international climate policies, communities and regions implement their own measures to combat environmental threats, leading to a patchwork of initiatives with varying effectiveness.

International tensions have escalated over basic resources such as water, farmland, and grazing land. Competition for these essentials has intensified, leading to disputes and strained relations between nations. Conversely, there is less competition over traditional energy resources and related rare commodities, as the demand for these has stabilized due to the slow pace of technological and clean energy innovation. Energy simply depends on what is available.

Climate measures have become deeply politicized. Proposals for wind farms and solar panel installations frequently encounter stiff political resistance, hindering progress toward sustainable energy adoption. Public debates over environmental initiatives are often contentious, reflecting deep-seated divisions within societies.

Fragmentation

International cooperation is fragmented. Global organizations struggle to unify member nations around common goals, leading to inconsistent policies and a lack of cohesive action on pressing issues like climate change and resource management. Governments have invested little in greening renovations and public infrastructure, resulting in outdated systems that are ill-equipped to handle contemporary challenges. Within the EU, northern regions were less affected by extreme weather and largely ignored calls from regions suffering the most. This has head to regional islands that sought to increase their resilience in an increasingly hostile world without strong global cooperation.

Global trade is slowing down as countries adopt more insular policies in response to economic pressures and resource scarcity. Protectionist measures and trade disputes have become more common, further hindering international collaboration and economic growth.

The road ahead

As the world navigates the complexities of 2040, the slow pace of technological progress and the escalating impacts of climate change present significant challenges. The lack of transformative innovation in both technology and clean energy hampers efforts to address environmental concerns effectively. Individual and localized initiatives, while valuable, fall short of the coordinated global action needed to mitigate widespread climate risks.

The increasing politicization of climate measures and fragmented international cooperation exacerbate these issues, making it difficult to implement comprehensive solutions.

As nations grapple with tensions over basic resources and a slowing global economy, the need for renewed collaboration and innovative approaches becomes ever more apparent. The collapse of global efforts to tackle climate change is leading to temperature increases of 3 degrees by the end of the century. This is increasing pressure on people who need to migrate for climate reasons.

In this context, the world stands at a crossroads. The decisions made today will shape the trajectory of future progress and the ability to effectively address the intertwined challenges of technology, climate change, and international relations.

a Trentini

Dominance Amid Climate Challenges: e World in 2040

year 2040, the relentless pace nological change continues to e industries and societies vide. Artificial intelligence (AI) merged as a game-changer, ning indispensable for sses aiming to stay etitive. Mastery of the latest AI s is now crucial for gaining an the global market.

abour market and educational s are in a state of constant flux, ntly adapting to keep pace with ological advancements. ional career paths and ula are regularly overhauled, ing the shifting requirements AI-driven economy.

this technological upheaval, ing truthful information that all st groups accept has become singly challenging. The entation of data sources and oliferation of biased narratives consensus on basic facts .

Internationally, the race to develop superior AI systems has intensified. Nations vie for technological supremacy, investing heavily in AI research and development. This competition has, however, overshadowed efforts in other critical areas, notably clean energy technology, where innovation has noticeably slowed.

Climate change remains a pressing concern for large segments of the global population. The frequency of extreme weather events and widespread flooding has heightened awareness and anxiety. In the absence of comprehensive governmental initiatives, mitigation efforts are predominantly individualistic and localized. Communities are taking matters into their own hands, implementing small-scale solutions to address immediate environmental threats.

Tensions over essential resources like water, arable land, and grazing areas have escalated on the international stage. Disputes over these basics have become more common, even as competition over traditional energy resources and rare commodities has diminished.

Shutterstock picture: 2508362681
By Anggalih Prasetya

k picture: 1654659178
tzky Photography

s complex landscape, societies worldwide are navigating the dual ages of harnessing rapid technological advancements while confronting mediate impacts of climate change. The world of 2040 is defined by suit of AI excellence amid environmental uncertainties, shaping a that balances innovation with resilience.

Mirjam Nilsson

Government investments are not coming

Environmental measures have become deeply politicized. Proposals for wind farms and solar panel installations frequently encounter strong political resistance, hindering progress toward sustainable energy adoption. International cooperation on climate issues is fragmented, with nations prioritizing domestic concerns over collective action.
Government investment in green renovations and public infrastructure remains minimal. This lack of funding hampers large-scale environmental initiatives and slows the transition to a more sustainable economy. Additionally, global trade continues to decline as countries adopt more insular policies in response to economic and resource-based pressures.

Steady progress and global unity:
The World in 2040

Shutterstock picture: 2230518089
By Deemerwha studio

MIRJAM NILSSON

In 2040, technological advancement has slowed down relative to the steady progress of the past two decades. Artificial intelligence (AI), once heralded as a potential game-changer, has become a ubiquitous tool integrated into daily life. Using AI is now akin to operating office software—a basic skill possessed by most people. While AI enhances efficiency in various tasks, it hasn't revolutionized industries as some had anticipated. Clean energy technology innovation has also slowed, progressing without the rapid breakthroughs seen in earlier years.

The labour market and educational systems are evolving slowly, adapting incrementally to technological and societal changes. Traditional career paths remain prevalent, and educational curricula adjust gradually, reflecting the steady demand for established skills. Despite widespread access to information, reaching a consensus on "truthful" data remains challenging.

Diverse perspectives and a multitude of information sources contribute to ongoing debates, making universally accepted facts elusive.

Global cooperation in addressing climate change

Amid this steady technological landscape, significant strides have been made in combating climate change. International cooperation is functioning effectively, with nations collaborating to mitigate environmental impacts. Collective efforts have led to a gradual decline in atmospheric carbon dioxide levels, signaling positive progress in the fight against global warming. When climate-related catastrophes occur, they are often addressed through coordinated international aid and expertise, minimizing impacts and fostering swift recovery.

Clean energy technology innovation, while not accelerating, remains competitive. Countries vie to optimize existing technologies, improving efficiency and accessibility.

Governments are investing considerable resources in greening renovations and public infrastructure, transforming urban environments with energy-efficient buildings, advanced public transportation, and renewable energy installations. Circular and green business models are thriving, driven by supportive policies and a global shift toward sustainability.

Navigating resource competition and increased migration

The green transition has intensified international competition over natural resources and commodities essential for sustainable technologies. Nations navigate these challenges through diplomacy and collaborative agreements, striving to ensure equitable access and sustainable practices. Migration is increasing worldwide, influenced by economic opportunities in green industries, the impacts of climate change, and the ease of international movement. This trend enriches cultural landscapes but also necessitates comprehensive policies to manage demographic changes and integrate newcomers effectively.

Cooperation is the game

The path forward: Steady progress through unity

As 2040 unfolds, the world demonstrates how steady technological progress, coupled with strong international cooperation, can address global challenges effectively.

While AI and other technologies have not revolutionized society, their integration into daily life enhances efficiency and connectivity. The collective commitment to combating climate change showcases the power of unity in achieving significant environmental milestones.

Governments, businesses, and communities are working together to build a resilient future, emphasizing collaboration over competition in critical areas. While challenges persist—such as managing resource competition and ensuring equitable access to information—the prevailing spirit of cooperation offers a hopeful trajectory.

In this stable and collaborative landscape, the world of 2040 exemplifies how nations can progress steadily toward a more sustainable future, leveraging shared goals and collective action to navigate the complexities of an interconnected world.

Economic hurdles on the path to a sustainable future

While the collaborative spirit and technological integration paint a hopeful picture, economic progress face more significant challenges than anticipated. The green transition, while crucial, strain global economies as nations grapple with the high costs of retrofitting infrastructure, developing sustainable technologies, and ensuring resource security. Resource competition, especially for rare earth elements and other critical commodities, exacerbate economic disparities, slowing the pace of growth. Additionally, incremental technological progress, rather than revolutionary breakthroughs, limit productivity gains and reduce the ability to offset these economic pressures, leading to slower global economic expansion.

A collaborative leap forward: AI and green innovation shape the world in 2040

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By Fahroni

MIRJAM NILSSON

In 2040, technological advancement relentlessly redefines the global landscape. Artificial intelligence (AI) is a game-changer, revolutionizing industries and serving as the cornerstone of both international cooperation and competition. For businesses worldwide, mastering the latest AI engines is crucial to gaining a competitive edge in a dynamic market.

Despite AI's ubiquity, a shortage of specialists who can work directly with these sophisticated systems persists. This gap has given rise to "super-users"—professionals who leverage pre-designed AI tools to optimize performance across sectors without delving into complex development. Simultaneously, skills beyond AI's capabilities—creative problem-solving, ethical decision-making, emotional intelligence—have surged in value, reshaping the labour market.

Educational systems are in constant flux, updating curricula to keep pace with technological advancements. Traditional career paths have evolved, reflecting the demands of an AI-driven economy. Amid this rapid change, obtaining truthful information accepted by all interest groups remains challenging. Diverse perspectives and proliferating information sources make consensus on basic facts elusive.

The international arena blends intense competition with unprecedented cooperation. Nations fiercely compete to develop advanced AI systems, recognizing their strategic advantages. Yet this rivalry coexists with strong collaboration in AI research and development.

Countries pool resources and expertise to harness AI for "good purposes," but which primarily have been used to fight climate change. Collaborative projects have led to breakthroughs unattainable in isolation, highlighting the benefits of shared innovation.

Clean energy technology has experienced a renaissance, with rapid innovation propelling the world toward sustainability. Governments invest considerable resources in green renovations and public infrastructure, transforming cities with energy-efficient buildings, advanced public transportation, and renewable energy installations.

Climate change mitigation is a central focus of international cooperation. Concerted efforts have led to a gradual decline in atmospheric carbon dioxide levels, signaling progress against global warming. Climate-related catastrophes are often addressed through coordinated international aid, minimizing impacts and accelerating recovery.

The fight to address climate change through a consensus-driven approach and technological innovations has meant other social and economic issues are overlooked. Some are benefitting whilst others are left behind driving a pandemic of loneliness. Some portions of society are viewed to be a burden on welfare systems.

Going forward

The global economy reflects this green transition. Circular and sustainable business models thrive, driven by consumer demand and supportive policies. Global trade is increasing, facilitated by harmonized regulations and mutual benefits from exchanging sustainable technologies.

However, the shift toward a green economy intensifies competition over natural resources essential for the transition, like rare earth metals. Nations navigate this challenge through diplomacy and collaborative agreements to ensure equitable access and sustainable extraction.

Migration has increased globally, influenced by economic opportunities in green industries, climate change effects, and easier international movement. This trend enriches cultural landscapes but necessitates policies to manage demographic shifts and integrate newcomers effectively.

The road ahead: Balancing competition and cooperation

As 2040 unfolds, the world stands at a crossroads where competition and cooperation propel humanity forward. The pursuit of AI excellence coexists with collaborative efforts to ensure technologies serve the greater good.

International cooperation effectively addresses pressing challenges. The collective commitment to sustainability, ethical AI development, and shared prosperity underscores a global recognition that collaboration is essential for lasting progress.

While challenges remain—ensuring equitable resource access and managing a rapidly changing labor market—the prevailing spirit of cooperation offers a hopeful trajectory. Synergistic efforts in AI innovation and environmental stewardship are shaping a future where technological advancement and sustainability are harmoniously aligned.

In this dynamic landscape, 2040 exemplifies how nations balance competition with collaboration, leveraging shared goals to create a more prosperous and sustainable future for all.

WeLaR

Welfare systems and labour market policies for economic and social resilience in Europe

Funded by
the European Union

What is WeLaR?

WeLaR is a three-year research project, *Welfare systems and labour market policies for economic and social resilience in Europe*, which seeks to understand the impact of demographic shifts, globalisation, digitalisation, and climate change on world of work and welfare states. WeLaR is dedicated to providing valuable insights, innovative policy proposals, and a platform for meaningful dialogue on the critical issues shaping the future of work and social well-being.

Our objectives:

We aim to improve our understanding of the impact that four megatrends have on various groups of workers and employers, and on European welfare states.

Based on our findings, we will propose policies to foster economic growth that is distributed fairly across society and benefits all.

Our stakeholder engagement approach:

At WeLaR, we firmly believe that involving stakeholders in the research process enriches academic output and enhances the effectiveness of labour and welfare policies. Thus, we actively include practitioners and policymakers in our project, collaborating with them to ensure that our findings and solutions align with real-world needs.

Expected Outcomes:

Research:
24 research papers; 4 policy briefs; 1 foresight report.

Events:
2 conferences; 6 workshops; 6 roundtables; 4 open virtual expert café sessions.

Our research approach:

WeLaR's research focuses on four key areas:

Labour supply

We analyse factors that impact individuals' decisions about entering, staying in, or leaving the job market.

Labour demand

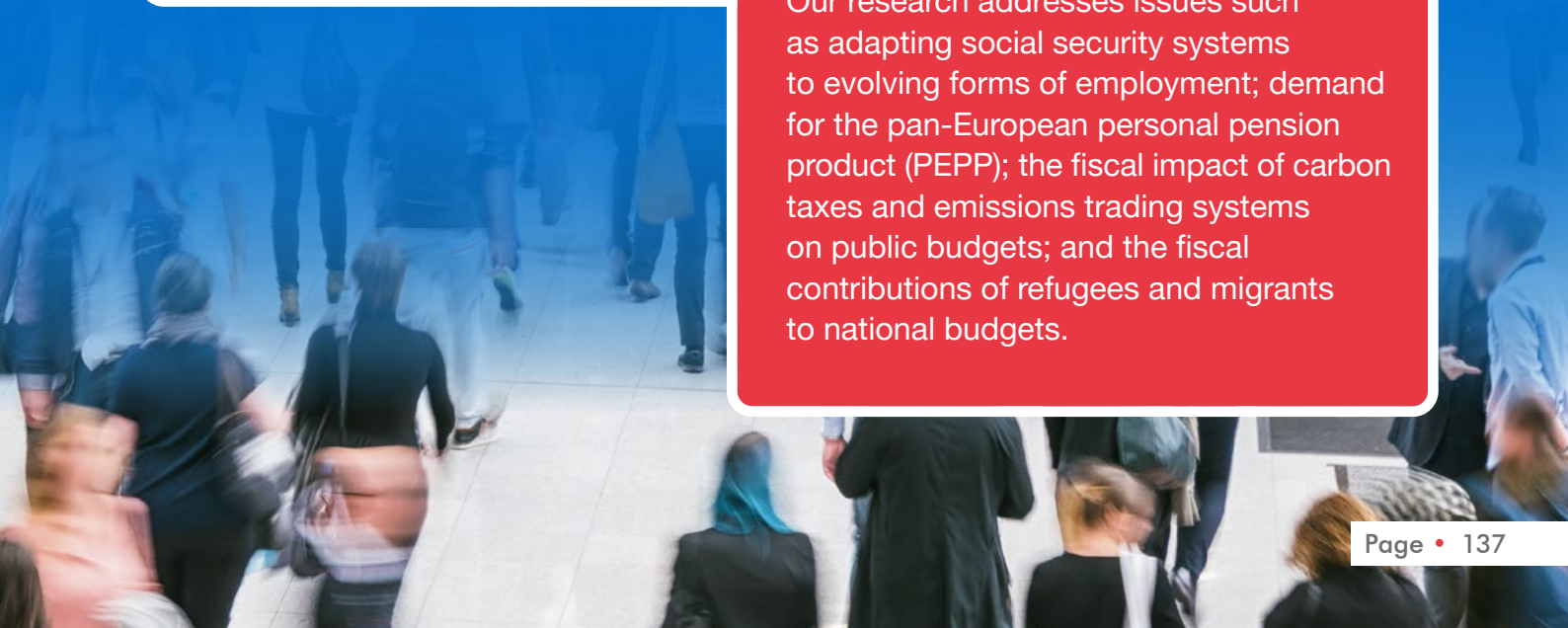
We investigate who faces a higher risk of labour market exclusion, how offshoring and automation impact the demand for both atypical and standard jobs, how the shift toward sustainability influences labour demand across sectors and regions, and issues related to migration and inequality.

The role of institutions

We explore the extent to which various types of regulations, collective bargaining systems, and income support policies that protect workers from potential negative consequences arising from these trends.

Challenges for the welfare state and public finance

Our research addresses issues such as adapting social security systems to evolving forms of employment; demand for the pan-European personal pension product (PEPP); the fiscal impact of carbon taxes and emissions trading systems on public budgets; and the fiscal contributions of refugees and migrants to national budgets.



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Ose European Social Observatory

unipg Università degli Studi di Perugia

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ZEW

ZSI

6.2. A.2 FIRST FORESIGHT WORKSHOP TEMPLATE

Scenario Template

Title of the quadrant:

Name the scenario:

Short description

This is a world where …

Assumptions (what assumptions are being made about climate action, technological advancement, demographic change, globalisation):

- **Technology growth**: *(Fast or Slow? Provide details.)*
- **Climate policy stringency**: *(Strict or Mild? Provide details.)*

Please note that the stringency of climate policy is closely linked to the level of globalisation. When climate policies are strict, international cooperation tends to be strong, reflecting a high level of globalisation. Conversely, milder climate policies are associated with lower levels of globalisation.

Implications - Key questions for reflection

Labour market shifts:

- How are employment levels evolving in the scenario?
  - Consider gender, persons with low educational attainment, non-EU nationals, others

- How is job quality different from today's labour market?
  - Consider part-time, fixed-term contracts, self-employment
  - General working conditions (pace and strain of work)

Welfare state challenges:

- What are the main strains on the welfare state?
  - Consider: pensions, social transfers/redistribution, taxes, private insurance, popular support

Economic and social inequality:

- How do economic shifts, such as industry changes and labour market trends, shape income inequality and affect vulnerable groups in the workforce?
  - Consider: broad industry shifts, income gaps/inequality, job displacement for different demographic groups, access to economic opportunities

Education and skills:

- What skills and competencies are essential for workers to thrive in economies shaped by the scenario?
  - Consider: what will be replaced by AI and automated? Are digital skills more or less relevant/essential?
  - What "other" skills may gain or lose value?

- What is the state of the education system?
  - Consider: the role of the traditional higher education system versus shorter - more focused continued education, the role of life-long learning

Global vs. local impacts:

- How is the impact of the scenario distributed between rural and urban areas (periphery versus core)?
  - Consider: which EU regions will prosper and which will decline, popular support for institutions / policies, employment, age distribution, effectiveness of welfare policies

EU

- More or less cohesion within the EU?

- What are the key strains on EU cooperation?

Additional ideas/insights

Examples from the present that indicate the developments that could lead toward this scenario

1.

2.

3.

…

How likely do you find this scenario, and what factors contribute to your perspective?

Narrative summary

Provide a compelling, story-like explanation of life in this future by 2040. Include how people, industries, and governments navigate the challenges and opportunities posed by this scenario.

6.3. A.3 SECOND FORESIGHT WORKSHOP PARTICIPANTS' PACKAGE

Foresight workshop agenda and overview:

Long-term impacts of megatrends on European labour markets and welfare systems: exploring future-oriented policies

18 March 2025 | Vienna, Austria

The WeLaR (Welfare.systems.and.labour.market.policies.for.economic.and.social.resilience.in.Europe) project cordially invites policymakers, researchers and representatives of social partners and civil society organisations to take part in the 2nd WeLaR Foresight Workshop to explore policy responses to likely outcomes of four scenarios for the labour market and welfare state in 2040. The scenarios consider varying speeds of technological change, strictness of climate policies, and extent of international cooperation. The event explores alternative futures and ways to politically and socially shape these futures. It aims to broaden our imagination and capacity to navigate the multiple uncertainties of the present.

Date: 18 March 2025

Location: https://gleis21.wien/anfahrt/, Bloch-Bauer-Promenade 22/40, 1100 Vienna, near the Central Station.

On March 17th, participants are cordially invited to dinner from 7pm at restaurant "Stuwer", Stuwerstraße 47, 5 min from U2 Metro station Messe/Prater.

Time (CET)	Agenda item
Before 9:00am	Arrival and registration
9:00am- 09:15am	Welcome and introduction
9:15am – 10:45 am	Policy panel
10:45-11:00	Overview of workshop
11:00 am - 11:15am	Coffee break
11:15am - 12:15pm	Introducing the scenarios and presenting results of Delphi Survey
12:15pm-1:15pm	Lunch
1:15pm-2:45pm	Policies within the scenarios (Group work: 4 groups, 4 scenarios)
2:45pm - 3:00pm	Coffee break
3:00pm - 4:15pm	Group work results and plenary discussion on policy options
4:15pm - 4:30pm	Conclusion

Policy panel

The policy panel welcomes panelists from both the European and Austrian context to discuss the present state of social and labour market policies in Europe.

Facilitators: Dalila Ghailani and Sebastiano Sabato, OSE

Panelists: Monika Austaller, Federal Ministry of Labour, Social Affairs, Health, Care and Consumer Protection, Austria

Eleonore de Faÿ, European Commission

Kai Hartig, Federal Ministry of Labour, Social Affairs, Health, Care and Consumer Protection, Austria

Anna Kwiatkewicz, Business Europe

Sara Loriato, AGE Platform

Sibylle Pirklbauer, Chamber of Labour, Austria

Lena Salanauskaite, EIGE

Scenario workshop

Building on the four scenarios developed in the previous workshop (see attached quadrants and narratives) and tested in a first round of the Delphi survey, this workshop will identify labour market and social policies that within each scenario enable favourable outcomes and prevent or mitigate disadvantaged ones for shared prosperity and inclusive economies and societies.

Workshop overview

Ursula Holtgrewe, ZSI

Introducing the scenarios and presenting results of the Delphi Survey

Laurène Thil, Mikkel Barslund, HIVA

Groupwork: Welfare state and labour market policies within the scenarios

This takes place in four groups of which each works on policies within one scenario.

Facilitators: Laurène Thil, Mikkel Barslund, HIVA, Michaela Bruckmayer, Ursula Holtgrewe, ZSI

Group work results and plenary discussion on policy options

Facilitator: Ursula Holtgrewe, ZSI

Conclusion and next steps

Laurène Thil, Mikkel Barslund, HIVA

WeLAR is an interdisciplinary project examining the impacts of four megatrends – digitalisation, globalisation, climate change and demographic shifts – on labour markets and welfare states in Europe.

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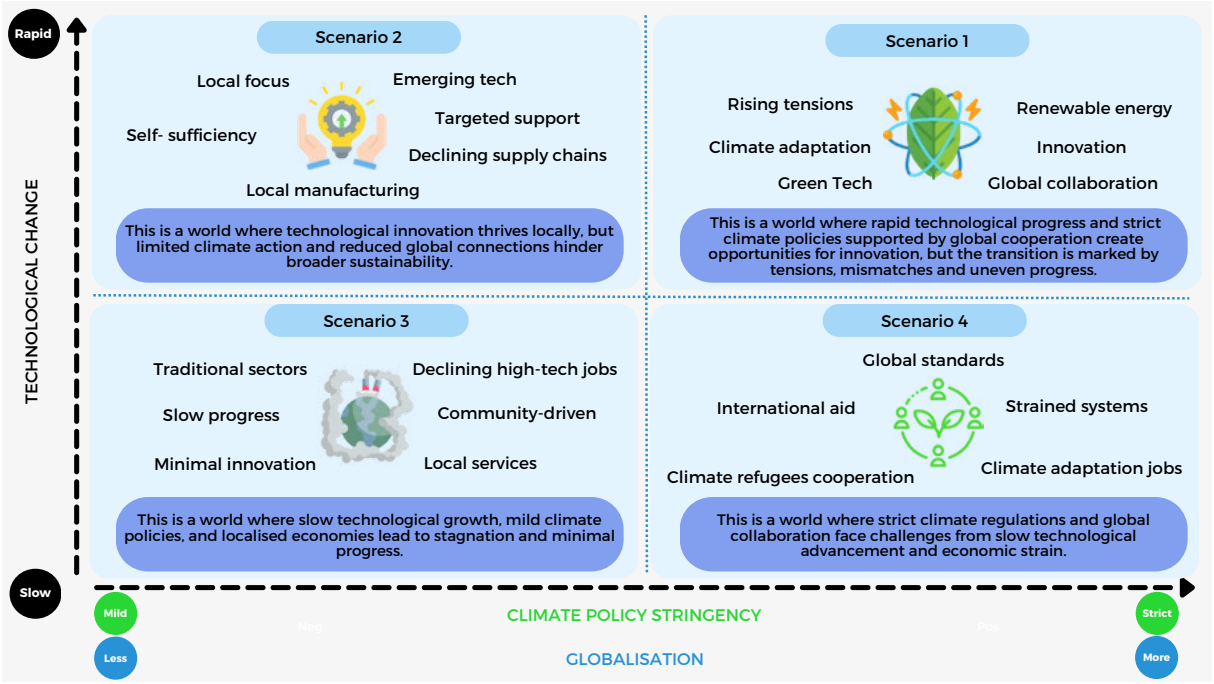
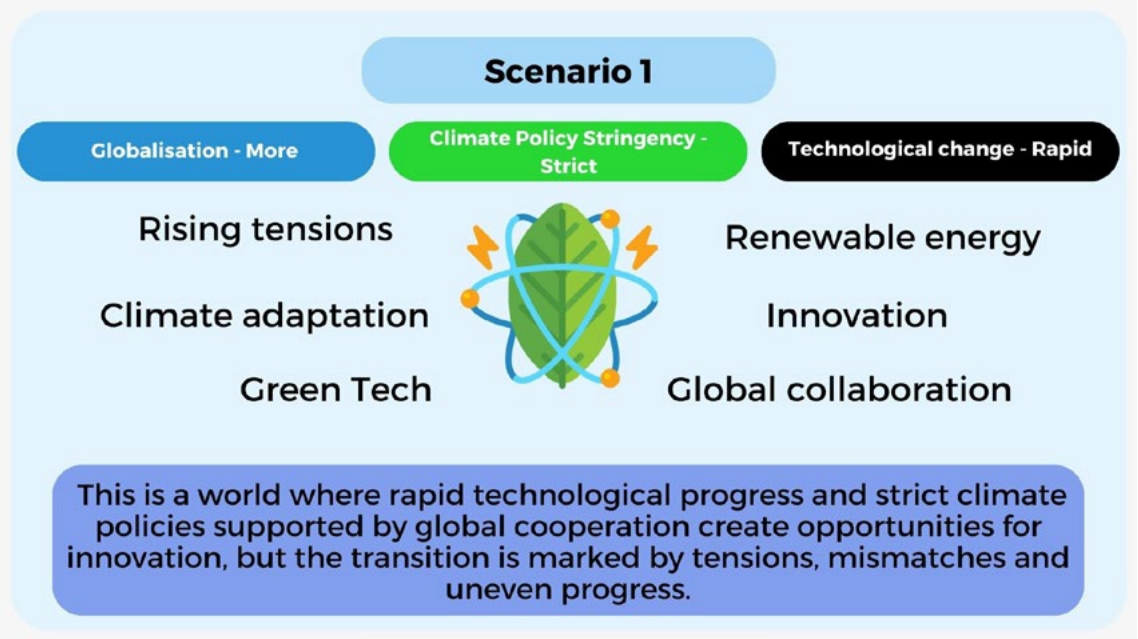

Rapid
TECHNOLOGICAL CHANGE
Slow
Scenario 2
Local focus
Emerging tech
Self- sufficiency
Targeted support
Declining supply chains
Local manufacturing
This is a world where technological innovation thrives locally, but limited climate action and reduced global connections hinder broader sustainability.
Scenario 1
Rising tensions
Renewable energy
Climate adaptation
Innovation
Green Tech
Global collaboration
This is a world where rapid technological progress and strict climate policies supported by global cooperation create opportunities for innovation, but the transition is marked by tensions, mismatches and uneven progress.
Scenario 3
Traditional sectors
Declining high-tech jobs
Slow progress
Community-driven
Minimal innovation
Local services
This is a world where slow technological growth, mild climate policies, and localised economies lead to stagnation and minimal progress.
Scenario 4
Global standards
International aid
Strained systems
Climate refugees cooperation
Climate adaptation jobs
This is a world where strict climate regulations and global collaboration face challenges from slow technological advancement and economic strain.
Mild
Less
CLIMATE POLICY STRINGENCY
GLOBALISATION
Strict
More

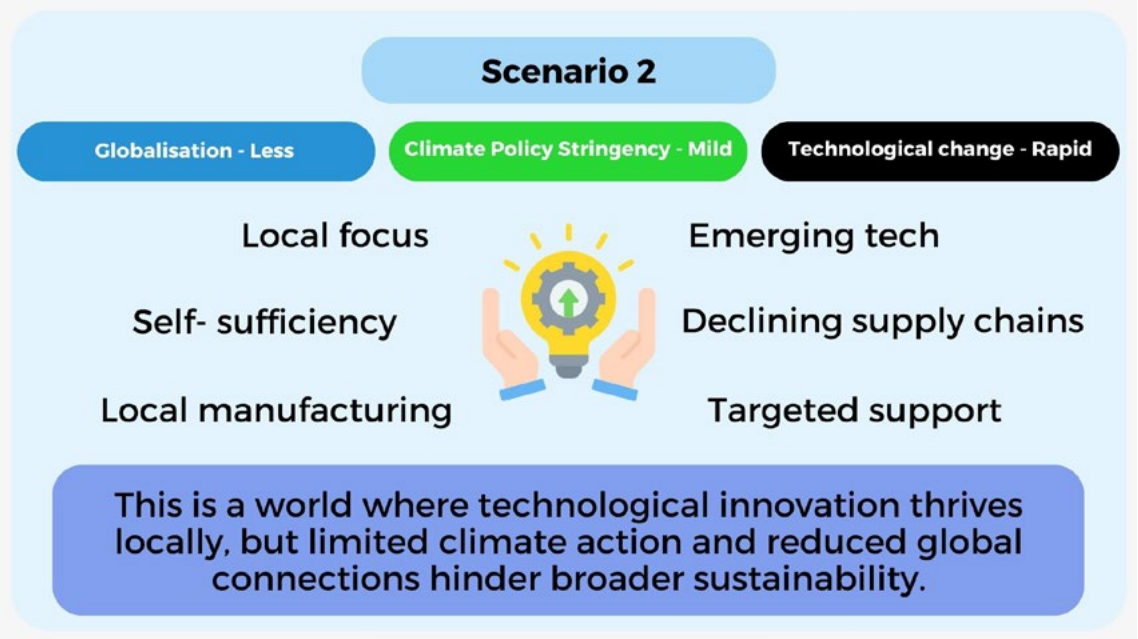
Scenario 1: The structured transformation



The Structured Transformation scenario presents a future shaped by proactive governance, with a strong focus on addressing technological and environmental challenges. Policymakers adopt comprehensive climate policies, such as expanding the European Green Deal and enforcing ethical AI regulations, while the EU takes a global leadership role in clean energy innovation. A key outcome in the labour market is the rise of higher-quality, creativity-driven roles that offer flexibility and improved working conditions, while automation significantly displaces low-skill labor, particularly in traditional manufacturing and services. The displacement of low-wage jobs is offset by transition programs like minimum income schemes, universal basic income trials, and retraining initiatives designed to support workers affected by these shifts. However, disparities persist, with wealthier regions benefiting from innovation, while lagging areas face challenges like brain drain and limited investment.

In terms of welfare state outcomes, innovations in social welfare are driven by AI, making systems more efficient and targeted, reducing operational costs, and improving service delivery. Redistribution mechanisms, such as tailored interventions and EU cohesion funds, address persistent poverty pockets and regional inequalities. Despite these efforts, the demand for welfare programs increases as automation displaces jobs and demographic shifts create additional pressure. The system's sustainability is maintained through technological efficiencies and proactive policy measures, though resources remain strained. While political commitment across the EU supports the vision of sustainability and equity, divergent levels of political will and resources among member states present challenges to uniform policy implementation.

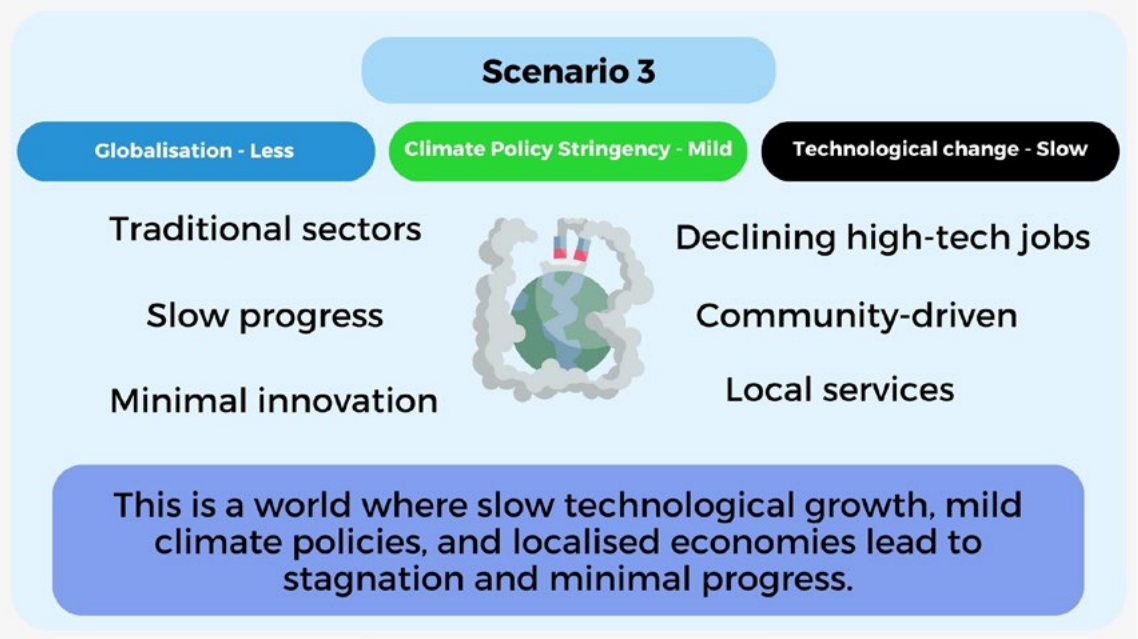
Scenario 2: The not so good scenario



The Not-So-Good Scenario depicts a fragmented world where rapid technological advancements are unevenly distributed, climate policies are mild, and global cooperation is on the decline. This fragmentation exacerbates socio-economic disparities, with significant regional tensions emerging. In this scenario, technological growth, particularly in AI, accelerates but is hindered by social, economic, and political divides. Meanwhile, the decline in globalization and limited international collaboration further deepens inequalities. The aging population, coupled with regional disparities, presents additional challenges to the global stability.

The labour market in this scenario faces significant polarization, with high-paying jobs concentrated in a few sectors and low-skill jobs either automated or marginalized. Workers experience reduced job quality due to psychosocial risks and diminished autonomy, even as automation eliminates hazardous tasks. Opportunities remain centralized in urban areas, while rural regions suffer decline. In the welfare state, automation strains tax revenues, leading to less comprehensive social transfers and widening inequalities. Vulnerable groups, such as migrants, women, and non-EU nationals, are disproportionately affected by these shifts, and the automation of welfare tasks introduces inefficiencies and new risks. This scenario also exacerbates economic and social inequality, with technological benefits concentrated among elites, fueling unrest. Educational systems struggle to keep up with the rapid pace of technological change, deepening the divide between those who can access private education and those who cannot. Regional fragmentation increases, with rural areas lagging behind, and local initiatives emerge to address issues in the absence of global cooperation. The EU faces further division, with divergent strategies between member states hindering collective action.

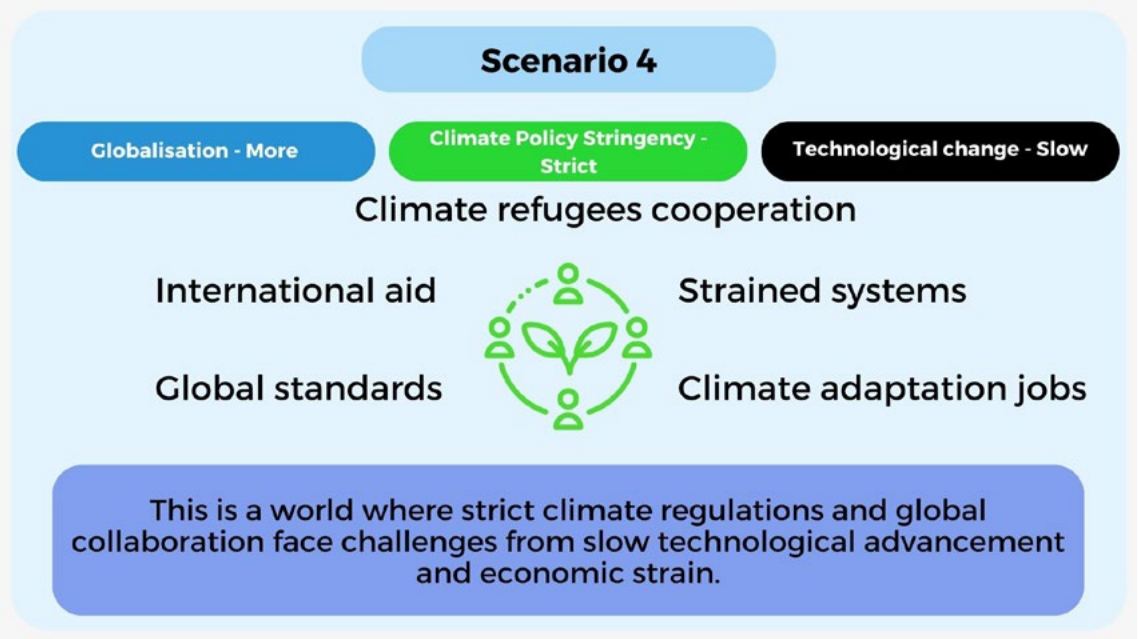
Scenario 3: Good old stagnant Europe



In this Good old stagnant Europe scenario, the EU faces a slowdown in technological advancements and adopts only mild climate policies, leading to a shift in socio-economic structures and global influence. Traditional industries dominate, resulting in limited opportunities for innovation and economic growth. Skilled workers leave the EU in search of better opportunities, exacerbating the talent gap. Non-EU nationals are often exploited in low-wage sectors, and as the welfare state declines, local communities and employers take on greater responsibility for social support, creating fragmented and paternalistic systems. The weakened welfare state reduces the agency of beneficiaries and deepens socio-economic divides, with over-skilled workers struggling to find opportunities in a stagnant labor market.

The implications of this scenario are particularly evident in labor market shifts and welfare state challenges. Job preservation in traditional sectors limits long-term economic growth, and skilled workers' migration further hinders the EU's competitiveness. At the same time, welfare systems shrink, increasing reliance on local solidarity and employers, reinforcing inequalities and leaving marginalized groups vulnerable. The EU's diminished technological progress and climate policy action contribute to rising inequality, as fewer resources are available for education and skill development, reducing the dynamism of the workforce. Fragmented EU policies further weaken cooperation, and the bloc becomes more dependent on imports for resources and technologies. Present signs of this scenario include slow progress on climate goals and limited adoption of AI technologies, pointing toward the possibility of a stagnant and inward-looking future for the EU.

Scenario 4: The downsizing scenario



The Downsizing Scenario envisions a future where stringent climate policies and global collaboration are challenged by slow technological advancement and economic constraints. Despite ambitious sustainability goals, limited technological progress hampers the transition, leading to inefficiencies, economic strain, and social tensions. Climate regulations demand substantial changes in industries, but without sufficient innovation, adaptation remains difficult, increasing the burden on businesses and workers.

In the labour market, the push for greener industries and stricter environmental policies results in job losses in traditional sectors, while new opportunities in renewable energy and sustainability-driven industries fail to scale rapidly due to technological stagnation. The slow pace of automation and digitalisation further limits productivity gains, making labour markets less dynamic. High-skilled jobs in green industries are concentrated in wealthier regions, leaving other areas with shrinking employment prospects and growing economic disparity. Workers in declining sectors face longer transition periods, as retraining efforts struggle to keep up with evolving needs.

The welfare state is under significant pressure in this scenario. While governments attempt to support displaced workers and vulnerable populations, strained public resources limit the effectiveness of social programs. Climate adaptation efforts demand substantial investment, leaving fewer funds available for welfare and social security systems. Redistribution policies aim to address inequalities, but without technological efficiencies to enhance service delivery, bureaucracy and inefficiencies weaken the impact of these initiatives. The growing number of climate refugees further strains national welfare systems, intensifying social and political challenges.

At a broader societal level, international collaboration remains in place, but the lack of technological breakthroughs slows the global green transition, leading to frustration and friction between nations. While some economies manage to pivot towards sustainability with localised strategies, others experience economic stagnation, increasing geopolitical instability. The reliance on traditional economic structures, combined with slow-moving innovation, results in declining high-tech jobs, rising protectionism, and localised responses to economic and social challenges.

6.4. A.4 SECOND FORESIGHT WORKSHOP TEMPLATE

Foresight workshop: Policy recommendations for 2040

Template for group work – Scenario-based approach

Scenario Name: [Structured Transformation / Not-So-Good Scenario / Good Old Stagnant Europe / Fourth Scenario]

Group Number: [ ]
Facilitator:
Participants:

---

1. Scenario summary (5 minutes)

- Summarise your assigned scenario in 3–5 sentences.

- What are the key characteristics of society, economy, environment, and technology in 2040 under this scenario?

- What main assumptions define this scenario (e.g., governance style, economic trends, climate policies, technological speed)?

2. Identifying scenario-specific key challenges and opportunities (15 minutes)

A. Labour market challenges

- What are the key transformations in employment?

- Which jobs have been lost, and which new sectors have emerged?

- How have technological progress and the green tech impacted job quality and availability?

- What are the regional disparities in employment opportunities?

B. Welfare state challenges

- How have changes in taxation, automation, and demographics affected social welfare?

- Is the welfare system sustainable under this scenario?

- Who benefits and who is left behind in terms of healthcare, social protection, and income support?

C. Opportunities and leverage points

- What are the positive aspects of this scenario that policymakers can build upon?

- What technological, social, or economic trends can be harnessed to improve the outcome?

- Are virtuous circles possible in that scenario?

- Are there global or local best practices that could be replicated?

- Which decisions need to be taken to prevent / mitigate unfavourable outcomes?

3. Policy recommendations (40 minutes)

Now, consider concrete policy recommendations. Focus on the two most important policies related to the labour market and welfare within the context of your scenario. Your task is to develop policies aligned with the objectives outlined below and to consider their implementation.

A. Labour market policies (Employment, Education & Training, Industry Support)

These policies can focus on employment creation, labour supply, workforce adaptability, and job quality.

Labour market policy: Title:

- Objective: What labour market issue does it address?

- Key actions: What specific measures should be taken (e.g., reskilling programs, job creation incentives, AI regulation for fair employment)?

- Responsible actors: Which governments, industries, or institutions should lead?

- Expected impact by 2040: How will this policy improve employment, job quality, and access to decent work?

- Example of good practice: Provide a real-world example (from any country or sector) of a similar policy that has worked.

B. Welfare state policies (Social protection, taxation, healthcare, and inclusion)

These policies should address both public finance and social security (income security, pensions, social welfare reforms, and inclusive social safety nets.

Welfare state policy :

- Objective: What social welfare issue does it address (e.g., universal basic income, automated tax reforms, healthcare access)?

- Key actions: What concrete steps should be taken to maintain or reform the welfare system?

- Responsible actors: Who should implement this (governments, social partners, EU bodies)?

- Expected impact by 2040: How will this ensure a sustainable and inclusive welfare state?

- Example of good practice: Provide a real-world example of a similar policy that has worked.

4. Implementation roadmap (20 minutes)

Participants should outline a step-by-step timeline for implementing the two policies they deem most importantfrom 2025 to 2040.

Example:

Year	Key Actions	Milestones
2025	Initial policy adoption, pilot programs, stakeholder engagement	Legislative framework established
2030	Mid-term review, policy scaling, workforce adaptation strategies	Adjustments based on impact
2035	Expansion of policies, investment in new social systems	Broad adoption across society
2040	Evaluation of success, final adjustments for long-term sustainability	Scenario goals achieved

5. Final presentation (20 minutes per group: 10 minutes presentation + 10 minutes Q&A)

Each group will present their policy recommendations and implementation roadmap to the other participants. Key points to cover:

- Main risks and opportunities of the scenario

- Key labour market policies for 2025

- Key welfare state policies for 2025

- Concrete examples of good practices

- How success will be implemented and measured by 2040

Scenario-Specific Considerations

To ensure that each group tailors their policies to the specific scenario, here are some guiding questions:

Scenario 1: The Structured Transformation (Proactive Governance & Green Transition)

- How can policies ensure regional equality in employment and welfare?
- What retraining or universal basic income policies can smooth the transition to AI-driven jobs?
- How can cohesion funds and EU policies be leveraged to prevent regional brain drain?

Scenario 2: The Not-So-Good Scenario (Fragmentation & Inequality)

- How can labour laws prevent automation-driven job loss and extreme job polarisation?
- What emergency welfare mechanisms can protect vulnerable populations?
- What tax policies (e.g., robot tax) can maintain welfare state funding?

Scenario 3: Good Old Stagnant Europe (Slow Growth & Shrinking Welfare)

- How can policies incentivize innovation while ensuring job stability?
- What alternative models (e.g., community-led social security or cooperative employment programs) can replace declining state support?
- How can trade unions and local solidarity structures mitigate stagnation risks?

Scenario 4: **The downsizing scenario**

- How can welfare systems adapt to economic strain while supporting displaced workers?
- What policies can help traditional industries transition to sustainability without relying on advanced technology?
- How can international cooperation address climate adaptation challenges without deepening economic inequalities?

6.5. A5 FIRST ROUND OF DELPHI-LIKE SURVEY

Delphi Questionnaire: Labour Market and Welfare State Scenarios in 2040

Introduction:

Welcome to the WeLaR delphi questionnaire on labour market and welfare state scenarios in 2040.

This survey is part of a foresight exercise aiming to explore plausible futures for European labour markets and welfare systems. Your insights will help us understand potential outcomes and develop recommendations for policy and research.

Your participation is voluntary, and your responses will remain confidential. The survey will take approximately 5-10 minutes to complete.

More information about the WeLaR project and the Delphi survey is available there.

Before we begin, we kindly ask you to consent to participate in the survey.

Notes on the survey logic:
Q1-Q6 are always asked in this sequence.

Q1) Informed consent

Title of the research
Welfare systems and labour market policies for economic and social resilience in Europe (WeLaR)

Contact details of project coordinator and involved researcher(s)
Project coordinator: dr. Karolien Lenaerts (karolien.lenaerts@kuleuven.be)
Researcher(s): dr. Mikkel Barslund (mikkel.barslund@kuleuven.be) and dr. Laurène Thil (laurene.thil@kuleuven.be)

HIVA – KU Leuven
Parkstraat 47 box 5300
B-3000 Leuven

Goal and methodology of the research
WeLaR is a research project that investigates the impact of technological transformations, demographic change, globalisation, and climate change on labour markets and welfare states in Europe. By doing so, the project aims to improve our understanding of the individual and combined effects of these trends and to identify policy measures that foster

socio-economic resilience and inclusive, sustainable growth. More information on the project can be found on the website: https://projectwelar.eu/ .
As part of the WeLaR project, we use an online Delphi survey to refine scenarios of the EU labour market and welfare states, in 2040. A Delphi survey is a structured method for gathering and refining expert opinions on a specific topic through multiple rounds of anonymous surveys. It aims to achieve a consensus by presenting experts with a series of questionnaires, where each subsequent round incorporates feedback and responses from earlier rounds. This iterative process allows participants to adjust their views based on the collective input, helping to identify trends, priorities, or solutions in complex or uncertain areas.

Duration of the Delphi survey
5 to 10 minutes

- I understand what is expected of me during this research.
- I know that I will participate in an online Delphi survey.
- My participation offers a contribution to the scientific research. I know that I will not receive any further reward or compensation for my participation.
- I understand that my participation to this study is voluntary. I have the right to stop participating at any time. I do not have to give a reason for this, and I know that it will not have any negative repercussions for me.
- My personal data will be processed in line with the General Data Protection Regulation (GDPR). Only the data that are strictly necessary to achieve the research objectives will be processed. My data will be kept confidential at all times throughout the study and the researchers will take measures to protect my privacy. For example, my personal data will be pseudonymized, meaning that my data can no longer be linked to me without the use of additional information that is only accessible to the researchers. I understand that my pseudonymized data may be reused for other scientific research and possibly for teaching or academic lectures. More information about the processing of my personal data can be found in the attached information letter.
- The results of this study can be used for scientific goals and may be published. My name will not be published. The confidentiality of the data will be protected in all stages of the research.
- In the context of transparency in scientific research the data of this study may be shared with others, such as researchers from different universities. In that case only non-identifiable data will be shared. It will not be possible for others to know that I have participated in this study or to know which data belong to me.
- In case of further questions about the research I know that I can contact: Laurène Thil: laurene.thil@kuleuven.be
- I know that I can contact the individual below if I would experience any discomfort or difficulties as a result of some of the subjects that were the topic of this research: Laurène Thil: laurene.thil@kuleuven.be
- For questions and for the execution of my rights (access to my data, rectification of the data, …) after my participation I know that I can contact: Laurène Thil – laurene.thil@kuleuven.be
- If I would like to be informed about the results of this research, I will be given the opportunity to give my email address to be contacted at the end of the survey.

- This study has been reviewed and approved by the Social and Societal Ethics Committee (SMEC) of KU Leuven (please use this number in any communication regarding the research: G-2023-6791-R3(AMD)). In case of complaints or other concerns with regard to the ethical aspects of this research I can contact SMEC: smec@kuleuven.be
- I have read and understood the information in this document, and I have received an answer to all my questions regarding this research. I give my consent to participate.

-> the participant gives consent by ticking a box. In case this box is not ticked, the survey does not start.

1. Background questions

Q2)

Institutional Affiliation:

- Which best describes your primary institutional affiliation? (Select one)

- Research/Academia
- Government/Policy-making
- Industry/Private sector
- Social partner organisation
- other Non-Governmental Organisation (NGO)
- Other (please specify – open text box)

Q3)

Years of Professional Experience:

- How many years have you worked in labour market or welfare state policy/research?

<1 year, 1–5 years, 6–10 years, 11–20 years, 21+ years

Q4)

Do you describe yourself as a man, woman, or in some other way?
(Please select one option.)

- ☐ Man
- ☐ Woman
- ☐ Some other way
- ☐ Prefer not to say

Q5. Which policy areas do you usually work on?
(Select all that apply. If none of the categories fit, please specify in the "Other" field.)

- ☐ Employment and labour market
- ☐ Social protection and welfare
- ☐ Education and skills development
- ☐ Migration and integration
- ☐ Gender equality
- ☐ Health and healthcare
- ☐ Climate and environment
- ☐ Industrial policy and innovation
- ☐ Taxation and public finance
- ☐ Urban development and housing
- ☐ International development and aid
- ☐ Digitalisation and technology policy
- ☐ Other: [Open text box]

Boxes to tick – and "other" one text box.

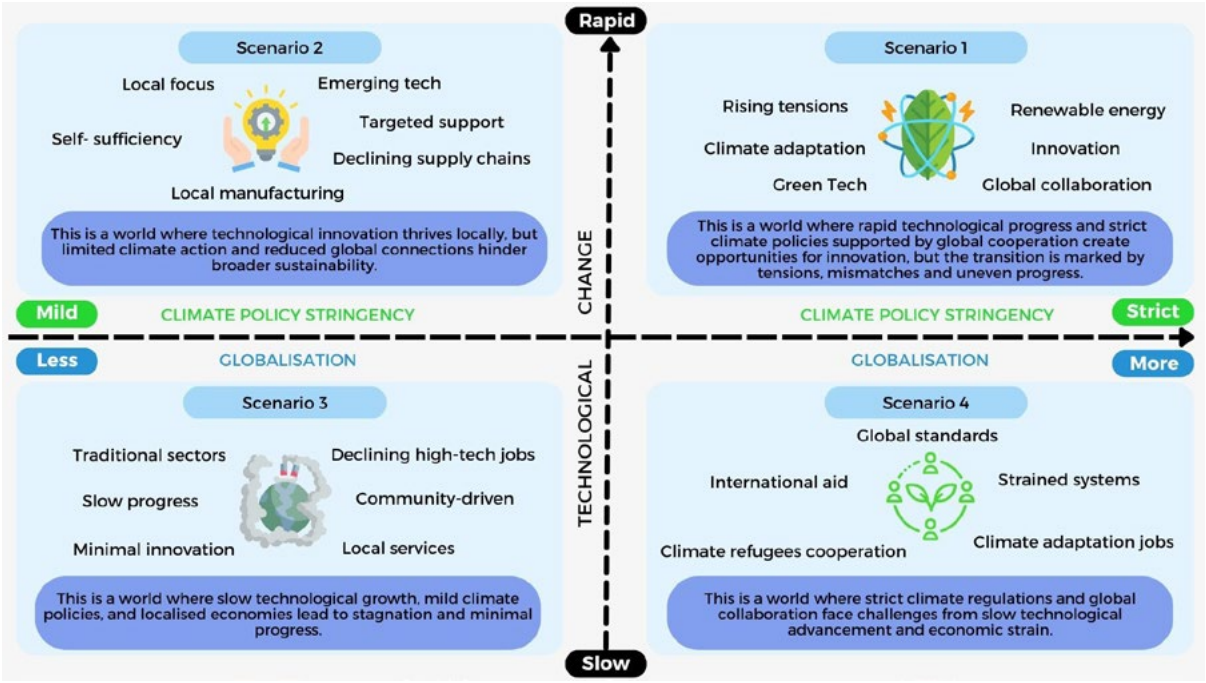
Scenario Introduction

Notes: We are working on the text and the diagram below. The text will likely be somewhat longer.

WeLaR's foresight exercise explores plausible futures for European labour markets and welfare states in 2040 under two key uncertainties. The main uncertainties that we look at are technological change and international cooperation/globalisation. Technological change is either rapid or slow. Fast technological change assumes that AI will be a game-changer for overall technological progress. Slow progress means incremental changes at the current pace of development. The second key uncertainty is low or high international cooperation/globalisation. We assume that high international cooperation implies strict climate policies (EU maintains 2050 target) and global backing of the COP process of climate negotiations. High international cooperation also implies continuous globalisation and international trade. Low international cooperation, on the other hand, implies mild climate policies (EU can/will not maintain EU 2050), and more difficult or regionalised international trade with breakdowns (trade wars).

Each of the four scenarios addresses a combination of two main uncertainties. The 2x2 matrix below illustrates how the scenarios are defined.

A diagram/visual of the scenario matrix is provided here.



2. Plausibility Ranking of Scenarios

Q6. Please rank the scenarios from what you believe is highly plausible to least plausible based on current trends.

(Place an 'X' in one column per row to indicate your ranking. If you prefer not to rank, select the option at the bottom.)

Plausibility Ranking of Scenarios

Scenario	Most Plausible	2nd Most Plausible	3rd Most Plausible	Least Plausible
Scenario 1: Rapid technological change, strict climate policies, global collaboration.	☐	☐	☐	☐
Scenario 2: Rapid technological change, mild climate policies, less globalisation and international collaboration.	☐	☐	☐	☐
Scenario 3: Slow technological change, mild climate policies, less globalisation and international collaboration.	☐	☐	☐	☐

Scenario	Most Plausible	2nd Most Plausible	3rd Most Plausible	Least Plausible
Scenario 4: Slow technological change, strict climate policies, global collaboration.	☐	☐	☐	☐
I prefer not to rank the scenarios.			☐	

Notes on the survey logic:

- From here on, the text for some questions will change depending on the answer in Q6. The number of questions will stay fixed.
  There are in total 4 sets of text (one set for each scenario)
- If a highest-ranked scenario is chosen in Q6 -> go to the text specific to the chosen scenario. Also, the highest-ranked scenario has to be remembered for the logic further down.
- If the respondent "prefers not to rank the scenarios" -> Go to a random scenario
- Below, text which is scenario-specific is prefixed with "[SCE]" and some additional context.
- Note Section 3 is repeated (but with varying text) -> see also below.

Add explanation text: You ranked the different scenarios, we now would like to ask you to answer specific questions on at least 2 scenarios.

3. Scenario-Specific Questions

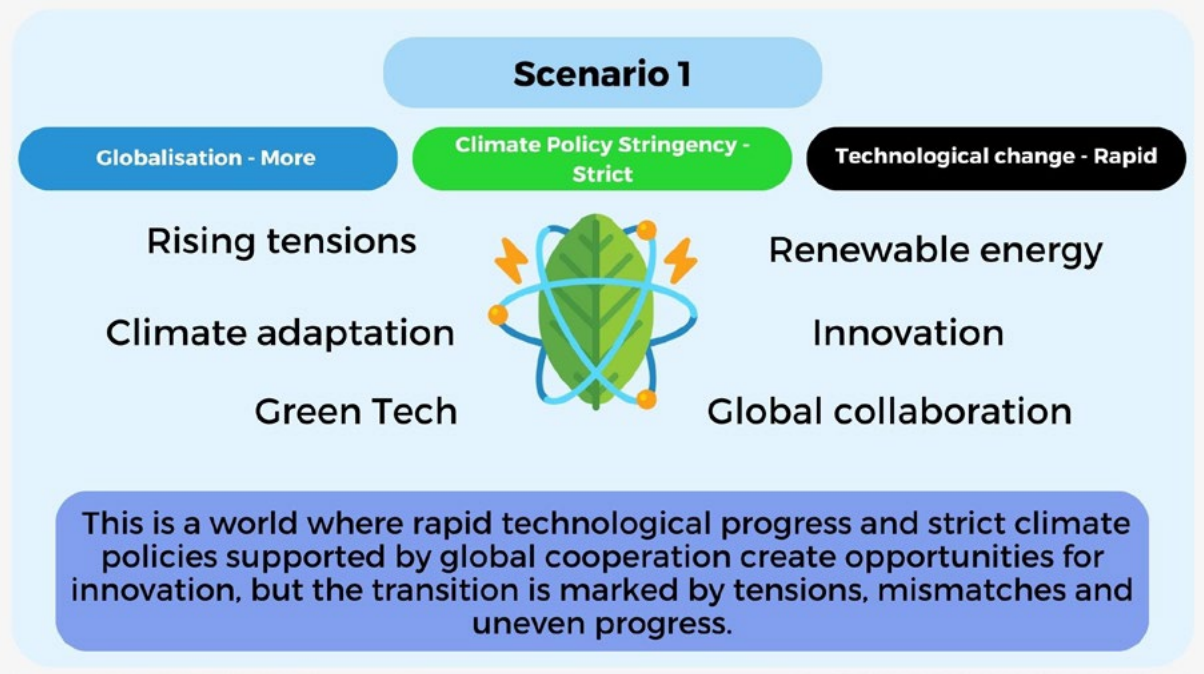
The 4 visualisations for each quadrant that will appear when working on the different scenarios

[SCE_highest rank]: You ranked Scenario 1 as the most plausible scenario. We would like you to answer a few questions related to this scenario.

[SCE_no ranking]: You chose not to rank the scenarios. However, we would like you to answer a few questions related to Scenario 1.

We would like you to answer some questions related to: Rapid technological change, strict climate policies, global focus.

Recall that this scenario is described as:
"Imagine the year is 2040. This is a world where rapid technological progress and strict climate policies supported by global cooperation create opportunities for innovation, but the transition is marked by tensions, mismatches and uneven progress."

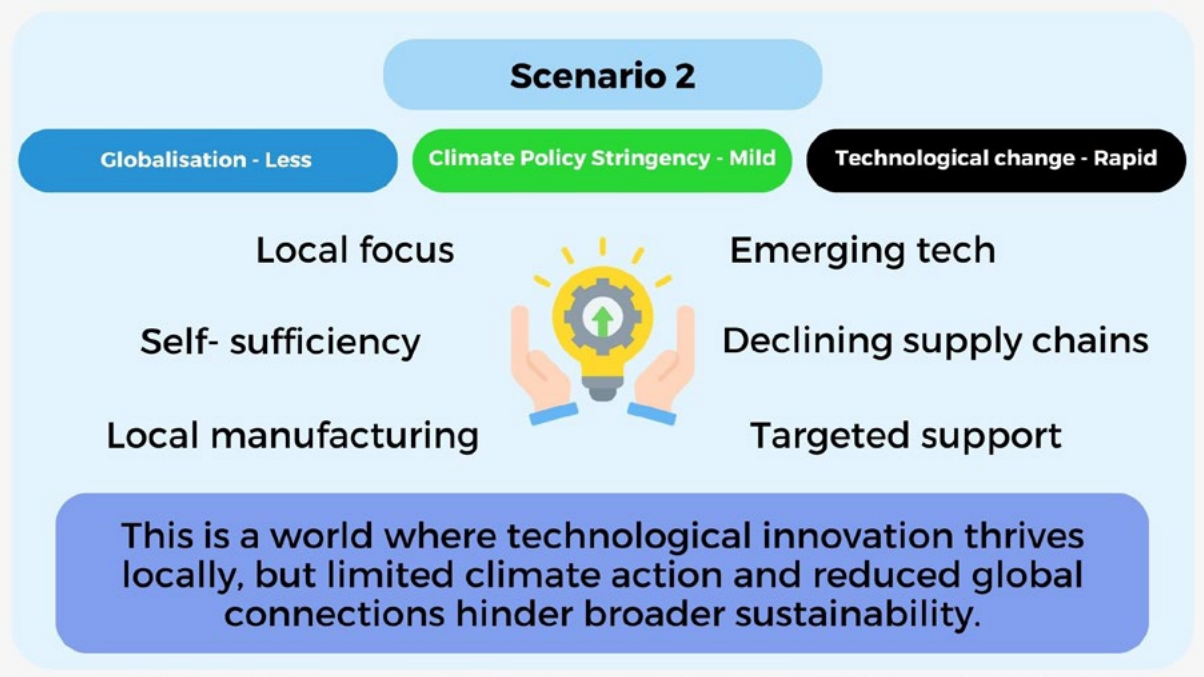


[SCE_highest rank]: You ranked Scenario 2 as the most plausible scenario. We would like you to answer a few questions related to this scenario.

[SCE_no ranking]: You chose not to rank the scenarios. However, we would like you to answer a few questions related to Scenario 2.

We would like you to answer some questions related to: Rapid technological change, mild climate policies, local focus.

Recall that this scenario is described as:
"Imagine the year is 2040. This is a world where technological innovation thrives locally, but limited climate action and reduced global connections hinder broader sustainability."

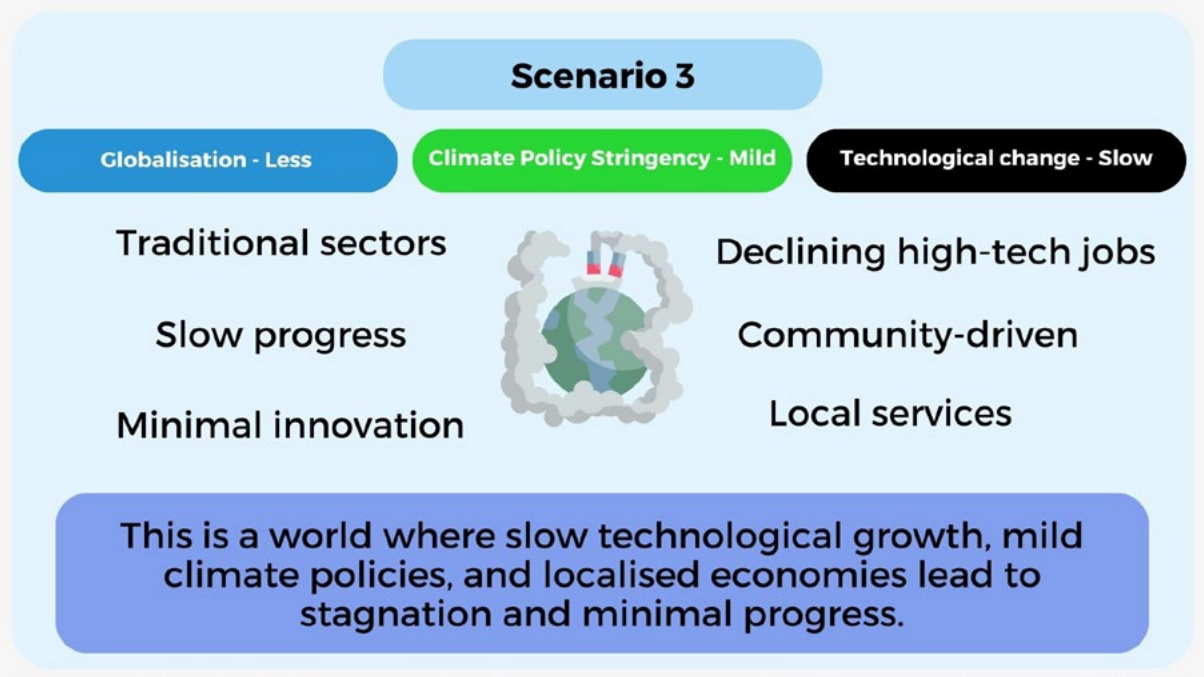


[SCE_highest rank]: You ranked Scenario 3 as the most plausible scenario. We would like you to answer a few questions related to this scenario.

[SCE_no ranking]: You chose not to rank the scenarios. However, we would like you to answer a few questions related to Scenario 3.

We would like you to answer some questions related to: Slow technological change, mild climate policies, local focus.

Recall that this scenario is described as:
"Imagine the year is 2040. This is a world where slow technological growth, mild climate policies, and localised economies lead to stagnation and minimal progress."

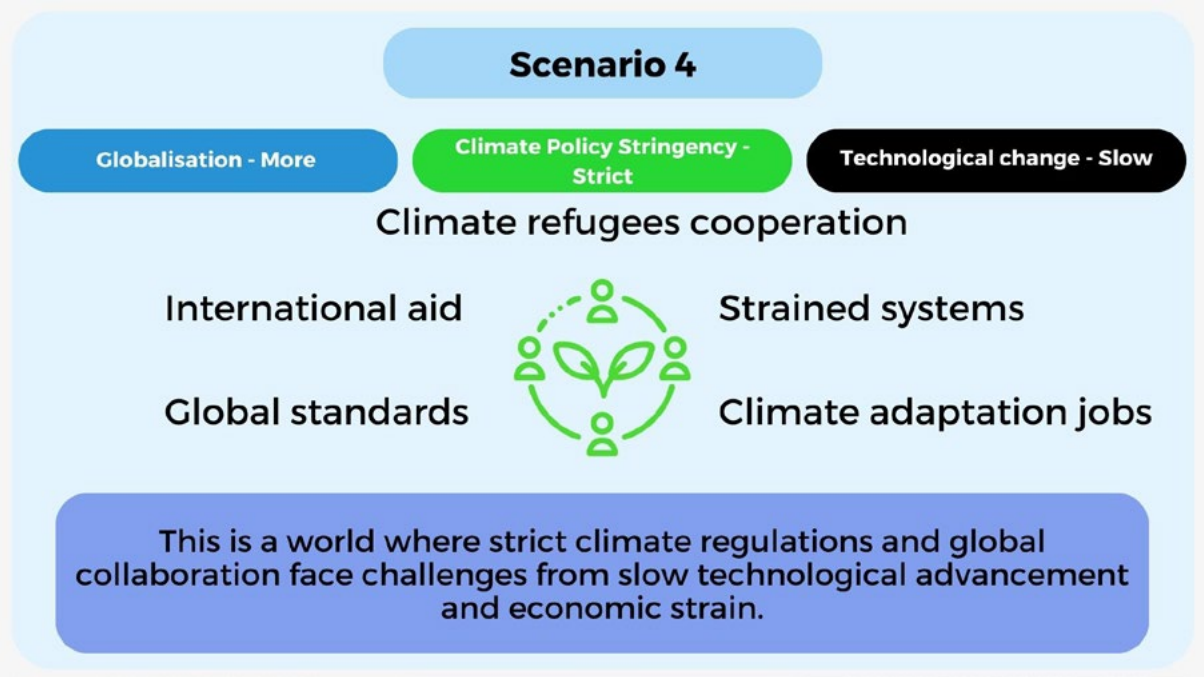


[SCE_highest rank]: You ranked Scenario 4 as the most plausible scenario. We would like you to answer a few questions related to this scenario.

[SCE_no ranking]: You chose not to rank the scenarios. However, we would like you to answer a few questions related to Scenario 4.

We would like you to answer some questions related to: Slow technological change, strict climate policies, global focus.

Recall that this scenario is described as:
"Imagine the year is 2040. This is a world where strict climate regulations and global collaboration face challenges from slow technological advancement and economic strain."


Scenario 4
Globalisation - More
Climate Policy Stringency - Strict
Technological change - Slow
Climate refugees cooperation
International aid
Strained systems
Global standards
Climate adaptation jobs
This is a world where strict climate regulations and global collaboration face challenges from slow technological advancement and economic strain.

Q7. Outcomes for Labour Market and Welfare State

(Indicate the likelihood of the following outcomes in this scenario.)

Outcome	Very Unlikely	Unlikely	Neutral	Likely	Very Likely
Reduction in welfare state coverage	☐	☐	☐	☐	☐
Widespread precarious employment	☐	☐	☐	☐	☐
High overall employment levels	☐	☐	☐	☐	☐
Significant reduction in workers' rights	☐	☐	☐	☐	☐
Decline in power of traditional labour unions	☐	☐	☐	☐	☐
Expansion of gig and platform jobs	☐	☐	☐	☐	☐
Expansion of circular economy					
Shift to local manufacturing dominance	☐	☐	☐	☐	☐
Increased regional divergence of economics and labour markets					
General shift of power away from the national state toward other actors or institutions, such as markets, companies, or local entities					
Increased polarisation of wages					
Increased polarisation of job quality					

Q8) Any other important outcomes you would like to mention?

Open text box

Q9) Social Outcomes for different demographic groups

Rate the overall development in labour market and social outcomes for the following demographic groups under this scenario (very negative … very positive):

Demographic Group	Very Negative	Negative	Neutral	Positive	Very Positive
Women	☐	☐	☐	☐	☐
Men					
People with low educational attainment	☐	☐	☐	☐	☐
People with high educational attainment					
Migrants and refugees	☐	☐	☐	☐	☐
Country nationals					
Older workers (50+ years)	☐	☐	☐	☐	☐
Youth entering the labour market	☐	☐	☐	☐	☐

Q10) Any other important outcomes and demographic groups you would like to mention?

Open text box

Notes:
Q11: Answer options are scenario dependent.

Q11). Other general assumptions

To what extent do you think the following assumptions that could shape this scenario and its potential outcomes are likely?
(Indicate the likelihood of the following assumptions in this scenario.)

Scenario 1

Assumptions	Very Unlikely	Unlikely	Neutral	Likely	Very Likely
Policymakers take strong actions to regulate technological progress and climate change.	☐	☐	☐	☐	☐
Expansion of the Green Deal, stricter carbon	☐	☐	☐	☐	☐

Assumptions	Very Unlikely	Unlikely	Neutral	Likely	Very Likely
pricing, and green innovation incentives.					
Responsible regulation of AI.	☐	☐	☐	☐	☐
The EU excels in clean energy, fostering sustainability and competitiveness.	☐	☐	☐	☐	☐

Scenario 2

Assumptions	Very Unlikely	Unlikely	Neutral	Likely	Very Likely
Rapid yet uneven AI development, reflecting disparities driven by social, economic, and political divides.	☐	☐	☐	☐	☐
Limited cooperation with regard to standard setting, in particular for climate policy.	☐	☐	☐	☐	☐
Nations prioritise self-interest and tech supremacy over unity.	☐	☐	☐	☐	☐
Aging populations and regional disparities intensify challenges.	☐	☐	☐	☐	☐

Scenario 3

Assumptions	Very Unlikely	Unlikely	Neutral	Likely	Very Likely
Slowing innovation reinforces reliance on traditional industries.	☐	☐	☐	☐	☐
Weak environmental measures prioritise short-term economic stability over sustainability.	☐	☐	☐	☐	☐

Local communities and families fill gaps left by a declining welfare state.	☐	☐	☐	☐	☐

Scenario 4

Assumptions	Very Unlikely	Unlikely	Neutral	Likely	Very Likely
Ambitious climate policies drive rapid decarbonisation.	☐	☐	☐	☐	☐
The absence of breakthroughs hinders cleaner, more efficient technology and process development.	☐	☐	☐	☐	☐
Public and private resources are heavily directed toward climate goals, limiting capacity for other investments.	☐	☐	☐	☐	☐
A cultural shift toward sustainability emerges as people and communities adjust to stricter regulations.	☐	☐	☐	☐	☐

Q12) Any other important assumptions for this scenario you would like to mention?
Open text box

Q13) Policy Recommendations:

In your opinion, what actions should policymakers take to help achieve positive outcomes in this scenario and which policies could mitigate risks for vulnerable groups?

Open textbox

Notes on the survey logic:

- If this is the end of the first scenario the respondent has done, then a second random scenario is selected (different from the first one) -> Go to Section 3, with varying text based on the random scenario
  - If this is the end of the second scenario go to Section 4
  - If this is the end of the third scenario go to Section 4
  - If this is the end of the fourth scenario go to Section 5

[SCE_repeat round]: Many thanks for your answers related to [SCE_ scenario for 1st round]. We would like you to answer the same set of questions for [SCE_chosen randomly_but not the one from 1st round] scenario.

4. Additional scenario

Q14) Would you like to provide further feedback on another scenario?

Checkbox: Yes/No

Notes on the survey logic:
- If Q12 = "no" go to Section 5
- If Q12 = "yes" go to select a scenario not yet rated and go to Section 3.

5. Additional Feedback

Q15) Would you be willing to participate in a follow-up survey and/or workshop to further explore policy responses based on these scenarios? If yes, please provide your email below. Your contact information will be securely stored and used only for this purpose.

Open textbox

Q16) Do you have any additional comments on the scenarios or the foresight process that we should consider?

Open textbox

6.6. A6 SECOND ROUND OF DELPHI-LIKE SURVEY

WeLaR Delphi questionnaire: Assessment of policy recommendations for 2040 scenarios

Welcome to the WeLaR Delphi Survey on policy recommendations for the Future of European labour markets and welfare systems.

This survey is part of the WeLaR foresight exercise, which aims to explore the long-term implications of major global trends on labour markets and welfare states across Europe. Our goal is to better understand what these systems might look like by the year 2040.

Scenarios have been co-created with experts and stakeholders during the first foresight workshop, held in Brussels in November 2024. These scenarios are based on two main axes reflecting key assumptions around megatrends: the pace of technological change (rapid vs. slow) and the stringency of climate policy (mild vs. strict). Globalisation—conceptualised as varying degrees of international cooperation—was also factored into the scenario development.

The initial scenarios were refined through a Delphi-style online survey. Participants evaluated the likelihood of certain scenario outcomes, assessed social impacts on different demographic groups, rated assumptions, and contributed initial ideas for policy responses.

Insights from this first round were then discussed during the second foresight workshop in Vienna (March 2025), where participants developed policy recommendations tailored to each scenario. For every scenario, two policy recommendations were proposed: one targeting the labour market and the other focusing on the welfare state, with the objective of fostering positive outcomes within the scenario by 2040.

This current online survey seeks expert assessment of the policy proposals formulated during that workshop. It focuses solely on evaluating the relevance, feasibility, and potential effectiveness of these recommendations across four foresight scenarios for 2040.

For each scenario, :you are given a brief description followed by a series of questions. You are expected to assess at least two scenarios. The survey is designed to be concise, taking approximately 5–7 minutes per scenario—around 15 minutes in total.

Scenario 1

By 2040, the world is characterised by rapid technological advancement and robust climate policies, underpinned by strong global cooperation. This environment fosters significant innovation and economic transformation. However, the transition is not without friction—societies experience tensions and uneven progress as they adapt to new systems, technologies, and policy demands.

Labour markets undergo substantial shifts. High-quality, creativity-driven roles become more prevalent, offering greater flexibility and improved working conditions. At the same time, automation significantly reduces the demand for low-skilled labour, particularly in traditional manufacturing and service sectors. To mitigate these disruptions, governments implement support mechanisms such as minimum income schemes, universal basic income trials, and comprehensive retraining programmes to help workers transition into new roles.

The welfare state also evolves to meet new challenges. AI-powered systems improve the targeting and delivery of social support, increasing efficiency and reducing administrative costs. Redistribution efforts focus on tailored interventions to support vulnerable populations, aiming to eliminate residual pockets of poverty. While the growing reliance on welfare programmes places pressure on public finances, these strains are largely managed through technological efficiencies and data-driven policymaking.

Labour Market Policy: Inclusive Transition Programme

- **Objective:** Enable inclusive job-to-job transitions in response to green and digital transformations.
- **Key Actions:**

1. Regional Industrial Transition Plans

- Co-developed with **national governments**, **social partners**, and **civil society**.
- Identify sectors facing decline and those with high-growth potential (green energy, digital services, etc.).
- Include mapping of **brain drain** risks and local employment fragilities.

2. Strategic Skills Mapping

- Systematic and continuous mapping of **future-oriented skills**, in collaboration with industry and education providers.
- Early warning systems for identifying **obsolete competencies**.

3. Public Reskilling & Upskilling Programmes

- Scale up **state-funded training schemes**, co-financed by EU structural funds and engage with social partners.
- Focus on **modular**, **portable qualifications** aligned with transition sectors.
- Prioritise **inclusive access** for displaced workers, marginalised groups, and regions with high unemployment.

4. Integrating Transition Skills into Education

- Embed **digital literacy**, **green competencies**, and **adaptability** into primary and secondary school curricula.
- Promote Science, Technology, Engineering, and Mathematics (**STEM participation)** among underrepresented groups (especially girls and women).
- Support education systems to **reform teacher training** and **pedagogical innovation**.

5. Financial Support for Workers & Firms in Transition

- Expand and adapt tools like the Support to mitigate Unemployment Risks in an Emergency (**SURE) programme** or explore new EU-level **transition insurance schemes**.
- Provide **temporary income support**, **mobility allowances**, and **incentives for re-employment**.
- Financial assistance for Small and Medium-sized Enterprises (**SMEs)** undergoing restructuring or green transformation.

- **Main Actors:** EU institutions, national governments, social partners, civil society, education providers.
- **Expected Impact by 2040:** Greater employment in green/tech sectors, reduced structural unemployment, improved job quality.
- **Roadmap:** Start in 2025 with industrial mapping; implement training schemes 2026–2030; evaluate and expand post-2030.

Q1. Relevance

To what extent do the proposed policies address the key labour market challenges in this scenario?

☐ Not at all
☐ Slightly
☐ Moderately
☐ Largely
☐ Completely

Optional: Please explain your answer or provide suggestions.

Q2. Feasibility

How likely is it that these policies could be implemented by 2040, given political, institutional, and financial constraints?

☐ Very unlikely
☐ Unlikely
☐ Neutral
☐ Likely
☐ Very likely

Optional: Please explain your answer or provide suggestions.

Q3. Impact

When we talk about *impactful policies*, we mean those designed to advance key societal goals such as **inclusion**, **resilience**, and **social cohesion**. **Inclusion** refers to ensuring that all individuals — regardless of their background, income, gender, ethnicity, or ability — have equal access to opportunities, rights, and services. An inclusive society actively works to remove barriers to participation in economic, social, and political life. **Resilience** is about building the capacity of individuals, communities, and institutions to withstand, adapt to, and recover from shocks, whether economic crises, technological change, pandemics, or climate-related disruptions. Resilient systems prevent temporary setbacks from becoming long-term hardships. **Social cohesion** concerns the strength of relationships and the sense of solidarity among members of society; it reflects how much individuals trust each other and their institutions, feel included, and share a common vision of society. Strong social cohesion helps societies function smoothly, reducing conflict and increasing cooperation. Impactful policies aim to foster all three by promoting fairness, strengthening protection against risks, and encouraging collective well-being.

How effective do you think these policies would be in achieving the stated goals (e.g. inclusion, resilience, social cohesion)?

Labour market

Inclusive policies

☐ Not at all
☐ Slightly
☐ Moderately
☐ Largely
☐ Completely

Resilient policies

☐ Not at all
☐ Slightly
☐ Moderately
☐ Largely
☐ Completely

Policies increasing social cohesion

☐ Not at all
☐ Slightly
☐ Moderately
☐ Largely
☐ Completely

Optional: Please explain your answer or provide suggestions.

Q4. Gaps or Additions

Are there any important areas or policy actions missing from the proposed package?

☐ Yes
☐ No
☐ Not sure

Optional: Please explain your answer or provide suggestions.

Welfare State Policy: EU Transition Support Mechanism

- **Objective:** Support unemployed individuals transitioning from declining to growing sectors.
- **Key Actions:**

1. **EU-Funded, Time-Limited Unemployment Assistance**

- Provides financial support (e.g. 70–80% of former income) for up to 12–18 months.
- Conditional on active participation in certified reskilling/upskilling pathways.

2. Integrated Reskilling Programmes

- Delivered in partnership with national employment services, regional VET providers, universities, and private sector actors.
- Aligned with national/regional transition roadmaps and industrial strategies.
- Focus on future-proof sectors (renewable energy, digital services, circular economy, care economy, etc.).

3. Mobility Support

- Grants for geographical mobility within the EU, inspired by Erasmus+.
- Financial support for temporary relocation, housing, and family care arrangements.
- Focus on encouraging transition to growth regions or pilot hubs.

4. EU-Level Solidarity Funding

- Backed by collective EU borrowing on capital markets.
- Disbursement via conditional grants/loans to Member States based on transition impact indicators (unemployment rate in carbon-intensive sectors, regional labour mismatch scores, etc.).
- Inspired by both *SURE* and *NextGenerationEU* frameworks.

5. Territorial Just Transition Pacts

- Member States define transition zones and sectoral vulnerabilities.
- Co-designed support packages (skills, mobility, infrastructure, digital access) with regional authorities and social partners.

- **Main Actors:** EU institutions, Member States, Regions, public employment services, social partners.
- **Expected Impact by 2040:** Lower long-term unemployment; better workforce adaptability.
- **Roadmap:** Design 2025–2026; pilot 2027–2029; scale up 2030–2040.

Q1. Relevance

To what extent do the proposed policies address the key labour market and welfare challenges in this scenario?

☐ Not at all
☐ Slightly
☐ Moderately
☐ Largely
☐ Completely

Optional: Please explain your answer or provide suggestions.

Q2. Feasibility

How likely is it that these policies could be implemented by 2040, given political, institutional, and financial constraints?

☐ Very unlikely
☐ Unlikely
☐ Neutral
☐ Likely
☐ Very likely

Optional: Please explain your answer or provide suggestions.

Q3. Impact

How effective do you think these policies would be in achieving the stated goals (e.g. inclusion, resilience, social cohesion)?

☐ Not at all
☐ Slightly
☐ Moderately
☐ Largely
☐ Completely

Optional: Please explain your answer or provide suggestions.

Q4. Gaps or Additions

Are there any important areas or policy actions missing from the proposed package?

☐ Yes
☐ No
☐ Not sure

Optional: Please explain your answer or provide suggestions.

Scenario 2

By 2040, rapid technological innovation is flourishing at the local level, but progress on climate action remains limited and global cooperation has declined. This world is characterised by

fragmented international ties and only mild climate policy efforts, which undermine coordinated responses to sustainability challenges. While technology advances swiftly, it does so in a context where national or regional self-reliance dominates, and broader, global solutions are sidelined.

These dynamics bring significant transformations to the labour market. Technological change leads to job polarisation, with high-skilled, high-paying roles available to a select few, while many low-skilled positions are either automated or pushed to the margins. Although automation reduces exposure to physically dangerous tasks, it introduces new psychosocial pressures and erodes job autonomy. Economic opportunities become increasingly concentrated in urban centres, deepening regional inequalities and leaving rural areas in decline.

The welfare state, meanwhile, struggles to keep pace with these shifts. The automation of labour and the shrinking of traditional employment bases weaken public revenues, placing redistribution systems under strain. Social protection becomes more selective and less comprehensive, contributing to rising inequalities. Moreover, the growing use of automated systems in welfare administration introduces new vulnerabilities, including inefficiencies and a lack of responsiveness to individual needs.

Labour Market Policy: Mandatory Collective Bargaining in Manufacturing

- **Objective:** Mitigate polarisation and poor working conditions in high-tech local manufacturing.
- **Key Actions:**
  1. **EU Legislation**: Draft and adopt a directive mandating the establishment of collective bargaining structures in all new high-tech manufacturing initiatives receiving public support or incentives.
  2. **Sectoral Adaptation Guidelines**: Develop EU-level guidelines tailored to the unique contexts of AI-driven, automated, and decentralised manufacturing.
  3. **Pilot Programmes**: Fund pilot schemes across varied regions (2028–2033) to refine models of sectoral and workplace-level bargaining in local manufacturing hubs.
  4. **Support Mechanisms**:
- Capacity building for trade unions and employers' organisations.
- Funds to promote social partner engagement and training.
- **Main Actors:** EU institutions, national governments, social partners.
- **Expected Impact by 2040:** Reduced job quality polarisation; fairer income distribution.
- **Roadmap:** Proposal 2025–2028; public consultations and negotiations 2028–2033; implementation 2035; full enforcement by 2040.

Q1. Relevance

To what extent do the proposed policies address the key labour market and welfare challenges in this scenario?

☐ Not at all
☐ Slightly
☐ Moderately
☐ Largely
☐ Completely

Optional: Please explain your answer or provide suggestions.

Q2. Feasibility

How likely is it that these policies could be implemented by 2040, given political, institutional, and financial constraints?

☐ Very unlikely
☐ Unlikely
☐ Neutral
☐ Likely
☐ Very likely

Optional: Please explain your answer or provide suggestions.

Q3. Impact

How effective do you think these policies would be in achieving the stated goals (e.g. inclusion, resilience, social cohesion)?

☐ Not at all
☐ Slightly
☐ Moderately
☐ Largely
☐ Completely

Optional: Please explain your answer or provide suggestions.

Q4. Gaps or Additions

Are there any important areas or policy actions missing from the proposed package?

☐ Yes
☐ No
☐ Not sure

Optional: Please explain your answer or provide suggestions.

Welfare State Policy: Education Reform for Inclusive Technological Access

- **Objective:** Bridge access to high-quality education and digital competencies.
- **Key Actions:**

1. Council of the EU-led Strategy on Digital and Inclusive Education (2025–2027)

– Adopt a high-level Council agreement setting common **digital literacy and inclusivity benchmarks** for Member States.
– Define minimum targets for **digital infrastructure**, **teacher digital skills**, and **curriculum adaptation** to technological change (AI, green tech, data science, etc.).

2. Integration into the European Semester (2028–2035)

– Link national education reforms to the **EU Semester** to monitor and guide progress.
– Education reforms to become a **criterion for accessing Cohesion and Recovery funds** — promoting conditionality.
– Emphasise **early childhood education**, vocational training, and **lifelong learning**, especially in regions at risk of digital exclusion.

3. Incentives for High-Quality Teaching and Infrastructure

– Launch EU-supported teacher **training schemes** for digital pedagogy and green economy subjects.
– Incentivise Member States to **increase teacher salaries** and **recruit educators** in underserved regions.
– Facilitate **public-private partnerships** for equipping schools with **AI-enabled and green infrastructure**.

4. Enhanced Erasmus+ for Teachers and Tech Learners

– Expand Erasmus+ to include **teacher exchanges** and **cross-border digital learning modules**, with a focus on **green and tech skills**.
– Target **low-income students and marginalised groups** with additional mobility grants and digital devices.

5. Inclusive Curriculum Reform

– Support Member States in updating school curricula with a focus on **algorithmic literacy**, **critical thinking**, **climate education**, and **AI ethics**.
– Encourage **gender-sensitive and migration-aware education practices** to reduce educational inequalities.

- **Main Actors:** EU institutions, Member States.
- **Expected Impact by 2040:** Increased upward mobility, broader participation in tech-driven growth.
- **Roadmap:** Council strategy 2025–2027; implementation 2028–2035; measurable progress by 2040.

Q1. Relevance

To what extent do the proposed policies address the key labour market and welfare challenges in this scenario?

☐ Not at all
☐ Slightly
☐ Moderately
☐ Largely
☐ Completely

Optional: Please explain your answer or provide suggestions.

Q2. Feasibility

How likely is it that these policies could be implemented by 2040, given political, institutional, and financial constraints?

☐ Very unlikely
☐ Unlikely
☐ Neutral
☐ Likely
☐ Very likely

Optional: Please explain your answer or provide suggestions.

Q3. Impact

How effective do you think these policies would be in achieving the stated goals (e.g. inclusion, resilience, social cohesion)?

☐ Not at all
☐ Slightly
☐ Moderately
☐ Largely
☐ Completely

Optional: Please explain your answer or provide suggestions.

Q4. Gaps or Additions

Are there any important areas or policy actions missing from the proposed package?

☐ Yes
☐ No
☐ Not sure

Optional: Please explain your answer or provide suggestions.

Scenario 3

By 2040, a scenario characterised by slow technological advancement, mild climate policy implementation, and reduced global integration has led to stagnation and limited progress. With economies turning inward and innovation advancing at a sluggish pace, this world sees fewer transformative breakthroughs and diminished international cooperation. The resulting environment is marked by cautious adaptation rather than bold reform, with localism taking precedence over global solutions.

In the labour market, traditional sectors continue to dominate, offering job stability to labour-market "insiders" but restricting economic dynamism and long-term growth. The lack of high-tech opportunities drives skilled professionals to seek better prospects outside the EU, exacerbating a growing brain drain. Meanwhile, non-EU nationals often find themselves in precarious, low-paid employment, where limited oversight and labour protections heighten the risk of exploitation.

Welfare systems in this scenario face increasing pressure as public funding declines. The weakening of formal state support has shifted the burden of care to communities and employers, fostering reliance on informal networks. However, this shift has come at the cost of equity and autonomy: welfare provision becomes inconsistent, fragmented, and, in many cases, paternalistic—undermining the agency of those who depend on it.

Labour Market Policy: Circular Mobility and Regional Talent Retention

- **Objective:** Counteract regional stagnation and brain drain.
- **Key Actions:**

1. Structured Circular Mobility Programmes

- **Incentivise temporary migration** of youth for education or work experience abroad (within EU or beyond).
- **Establish structured return pathways**, including financial and career incentives, e.g.:
  - return scholarships or grants,
  - guaranteed job placements or training upon return,
  - tax incentives for returnees who settle and work in their home regions.

2. Regional Job Attractiveness Initiatives

- **Upgrade job quality** and conditions in traditional sectors (e.g. textiles, agri-food, manufacturing) through:
  - investment in digital tools,
  - improved social protection,
  - skills-based career ladders.
- **Promote employer branding** of regional SMEs and family businesses to compete with urban employers.
- **Incentivise community-led innovation**, e.g., local cooperatives, social enterprises, regional green tech initiatives.

3. Life-Course Oriented Support

- **Tailored mobility support schemes** for various life stages:
  - students (e.g. Erasmus+, regional variants),
  - young professionals (e.g. mobility vouchers, job-matching),
  - returnees in mid-career (e.g. resettlement packages).
- **Social security continuity tools**, e.g. portable benefits or voluntary contributions enabling returnees to preserve pension or healthcare entitlements.

4. Rebranding and Identity Strategies

- Promote **regional pride** and identity through mobility "ambassadors" networks, storytelling, and localised Erasmus+ success stories.
- Foster **"brain circulation"** narratives that shift the perception from "leaving for good" to "going to grow, then return to contribute."

- **Main Actors:** National governments, EU institutions, local authorities.
- **Expected Impact by 2040:** Reinvigorated regional labour markets, balanced demographic profiles.
- **Roadmap:** Start incentives by 2026; monitor circular flows 2028–2035; integrate with regional development strategies by 2040.

Q1. Relevance

To what extent do the proposed policies address the key labour market and welfare challenges in this scenario?

☐ Not at all
☐ Slightly
☐ Moderately
☐ Largely
☐ Completely

Optional: Please explain your answer or provide suggestions.

Q2. Feasibility

How likely is it that these policies could be implemented by 2040, given political, institutional, and financial constraints?

☐ Very unlikely
☐ Unlikely
☐ Neutral
☐ Likely
☐ Very likely

Optional: Please explain your answer or provide suggestions.

Q3. Impact

How effective do you think these policies would be in achieving the stated goals (e.g. inclusion, resilience, social cohesion)?

☐ Not at all
☐ Slightly
☐ Moderately
☐ Largely
☐ Completely

Optional: Please explain your answer or provide suggestions.

Q4. Gaps or Additions

Are there any important areas or policy actions missing from the proposed package?

☐ Yes
☐ No
☐ Not sure

Optional: Please explain your answer or provide suggestions.

Welfare State Policy: Community-Based Care and Gender Equality Activation

- **Objective:** Address care deficits and promote gender equality.
- **Key Actions:**

1. Lifelong Learning for Older adults

– Develop publicly funded training programmes for older adults to acquire skills in childcare, early childhood education, and community-based care.
– Create "second career" pathways for retired workers in care-related community roles.

2. Public–Civil Society Partnerships for Local Care Delivery

– Establish a co-management model for care services: public authorities provide infrastructure and coordination, while trained community members (especially older adults) deliver services.
– Encourage volunteering and part-time engagement, compensated through social security credits or non-monetary benefits (e.g. priority in future care services).

3. Gender Equality through Early Education Reform

- Introduce mandatory gender sensitivity and stereotype-challenging content in early childhood education curricula.
- Train teachers to deliver inclusive education and serve as role models across gender lines.

1. **4. Desegregate gender-inequal labour markets**

- Encourage women's entry and sustainable careers in e.g. STEM fields and industries and men's into into care, social and education occupations.
- Overcome unequal pay and working conditions and uneven burdens of unpaid care

- **Main Actors:** Local governments, civil society
- **Expected Impact by 2040:** Increased female labour participation, revitalised ageing populations, improved social cohesion.
- **Roadmap:** Pilot by 2026; integrate with regional care strategies by 2030; measure via Key Performance Indicator (KPIs) on gender parity, care quality, and regional vitality.

Q1. Relevance

To what extent do the proposed policies address the key labour market and welfare challenges in this scenario?

☐ Not at all
☐ Slightly
☐ Moderately
☐ Largely
☐ Completely

Optional: Please explain your answer or provide suggestions.

Q2. Feasibility

How likely is it that these policies could be implemented by 2040, given political, institutional, and financial constraints?

☐ Very unlikely
☐ Unlikely
☐ Neutral
☐ Likely
☐ Very likely

Optional: Please explain your answer or provide suggestions.

Q3. Impact

How effective do you think these policies would be in achieving the stated goals (e.g. inclusion, resilience, social cohesion)?

☐ Not at all
☐ Slightly
☐ Moderately
☐ Largely
☐ Completely

Optional: Please explain your answer or provide suggestions.

Q4. Gaps or Additions

Are there any important areas or policy actions missing from the proposed package?

☐ Yes
☐ No
☐ Not sure

Optional: Please explain your answer or provide suggestions.

Scenario 4

By 2040, the world is characterised by ambitious climate regulations and strong global cooperation, yet progress is hampered by sluggish technological innovation and economic headwinds. While international agreements drive coordinated action on climate change, the lack of rapid technological breakthroughs hinders the development and deployment of technological solutions.

Labour markets are deeply affected by this imbalance. Traditional industries face steep decline due to strict environmental regulations, but emerging green sectors struggle to absorb displaced workers quickly, as innovation lags and productivity growth remains low. Automation and digital transformation progress slowly, reducing labour market dynamism. High-skilled green jobs tend to cluster in more affluent regions, exacerbating geographic inequalities. Retraining systems are in place but prove insufficient to match the pace and complexity of labour market transitions, particularly for workers in marginalised or economically lagging areas.

Welfare systems face mounting challenges as they attempt to cushion the social impact of economic shifts and climate disruptions. Public finances are increasingly stretched, with large investments required for climate adaptation reducing the fiscal space for welfare and social security. Efforts to redistribute wealth and support vulnerable groups are well-intentioned but hampered by inefficient bureaucracies and outdated service delivery systems. The rise in climate-induced migration places additional stress on already burdened welfare infrastructures, fuelling social tensions and testing the resilience of political institutions.

Labour Market Policy: Academia–Industry Skills Transition Pact

- **Objective:** Align skills supply with greening and technological needs.
- **Key Actions:**

1. Curriculum Mapping and Reform

- Require **mandatory curriculum audits** by national and regional accreditation agencies to evaluate the integration of green and digital skills in higher education and vocational training.
- Identify outdated content and introduce core transversal competencies: **systems thinking, digital fluency, sustainability literacy**, and **social innovation**.
- Embed Sustainable Development Goals (SDGs), AI literacy, and Industry 5.0 concepts into academic and technical programmes.
- Create EU-level guidance frameworks (e.g., via the European Qualifications Framework (EQF) and Bologna Process).

2. SME–University Training Clusters

- Establish regional **"skills ecosystems"** by clustering**SMEs)** with local universities and technical colleges.

- Launch **public-private training labs** for upskilling in key sectors (e.g., sustainable manufacturing, AI-enhanced care work, green construction).
- Promote **dual learning models** (alternating work-study schemes) and create pathways between education, apprenticeships, and work-based learning.

3. Incentivise Innovation in Education

- Earmark EU R&I funds (e.g., Horizon Europe, ESF+) for pilot projects fostering **pedagogical and vocational education and training (VET) innovation**, co-developed withsocial partners.
- Develop **interdisciplinary challenge-based teaching modules** addressing real-world sustainability and technological dilemmas.

4. Targeted Support for Underrepresented Groups

- Prioritise inclusion of **migrants, older workers, women in STEM, and low-qualified youth** in new programmes through financial incentives and tailored outreach.
- Build in **life-course training rights**, enabling workers to retrain mid-career in green/digital sectors without penalty or exclusion.

- **Main Actors:** Accreditation agencies, universities, employers, EU R&I funding bodies.
- **Expected Impact by 2040:** More employable graduates; reduced skills mismatch; support for Industry 5.0.
- **Roadmap:** Stakeholder councils by 2026; curriculum reforms by 2030; full integration by 2035.

Q1. Relevance

To what extent do the proposed policies address the key labour market and welfare challenges in this scenario?

☐ Not at all
☐ Slightly
☐ Moderately
☐ Largely
☐ Completely

Optional: Please explain your answer or provide suggestions.

Q2. Feasibility

How likely is it that these policies could be implemented by 2040, given political, institutional, and financial constraints?

☐ Very unlikely
☐ Unlikely
☐ Neutral

☐ Likely
☐ Very likely

Optional: Please explain your answer or provide suggestions.

Q3. Impact

How effective do you think these policies would be in achieving the stated goals (e.g. inclusion, resilience, social cohesion)?

☐ Not at all
☐ Slightly
☐ Moderately
☐ Largely
☐ Completely

Optional: Please explain your answer or provide suggestions.

Q4. Gaps or Additions

Are there any important areas or policy actions missing from the proposed package?

☐ Yes
☐ No
☐ Not sure

Optional: Please explain your answer or provide suggestions.

Welfare State Policy: Decommodification of Essential Services

- **Objective:** Maintain social cohesion amid fiscal constraints and be a source of employment for displaced workers.
- **Key Actions:**

1. Expand Non-Market Provision Mechanisms:

– Scale up **good practices of municipal public housing** and not-for-profit housing cooperatives.
– Increase **publicly funded childcare places** with capped fees or free access for low-income groups.
– Foster **social and solidarity economy actors** in delivering basic services (e.g. energy, care, transport).

2. Embed Public–Private–People Partnerships (PPPPs):

- Incentivise collaboration between **local authorities, social enterprises, cooperatives**, and mission-driven private actors.
- Tie partnerships to **social return on investment (SROI)** indicators to prioritise long-term societal benefits over short-term profits.

3. Rely on Alternative Finance Models:

- Promote **public-interest investment funds**, municipal bonds, and EU-guaranteed green/social infrastructure facilities.
- Leverage EU-level tools (e.g. InvestEU, Green Deal funds) to support infrastructures in housing and care.

4. Support Legal and Regulatory Environments:

- Enable **favourable regulatory conditions** for public and non-profit providers (e.g. tax exemptions, access to land).
- Protect **service quality and accessibility standards** across regions to avoid deepening territorial divides.

- **Main Actors:** Municipalities, public developers, social enterprises.
- **Expected Impact by 2040:** Increased stability for low-income groups; resilient welfare under limited state capacity.
- **Roadmap:** Policy pilots by 2027 (e.g. Vienna model The **Vienna Model for Social Housing** refers to the approach that the city of **Vienna, Austria**, has developed over the past century to provide high-quality, affordable housing to a broad segment of its population.); scaled roll-out 2030–2040; monitor via housing/care access indicators.

Q1. Relevance

To what extent do the proposed policies address the key labour market and welfare challenges in this scenario?

☐ Not at all
☐ Slightly
☐ Moderately
☐ Largely
☐ Completely

Optional: Please explain your answer or provide suggestions.

Q2. Feasibility

How likely is it that these policies could be implemented by 2040, given political, institutional, and financial constraints?

☐ Very unlikely
☐ Unlikely
☐ Neutral
☐ Likely
☐ Very likely

Optional: Please explain your answer or provide suggestions.

Q3. Impact

How effective do you think these policies would be in achieving the stated goals (e.g. inclusion, resilience, social cohesion)?

☐ Not at all
☐ Slightly
☐ Moderately
☐ Largely
☐ Completely

Optional: Please explain your answer or provide suggestions.

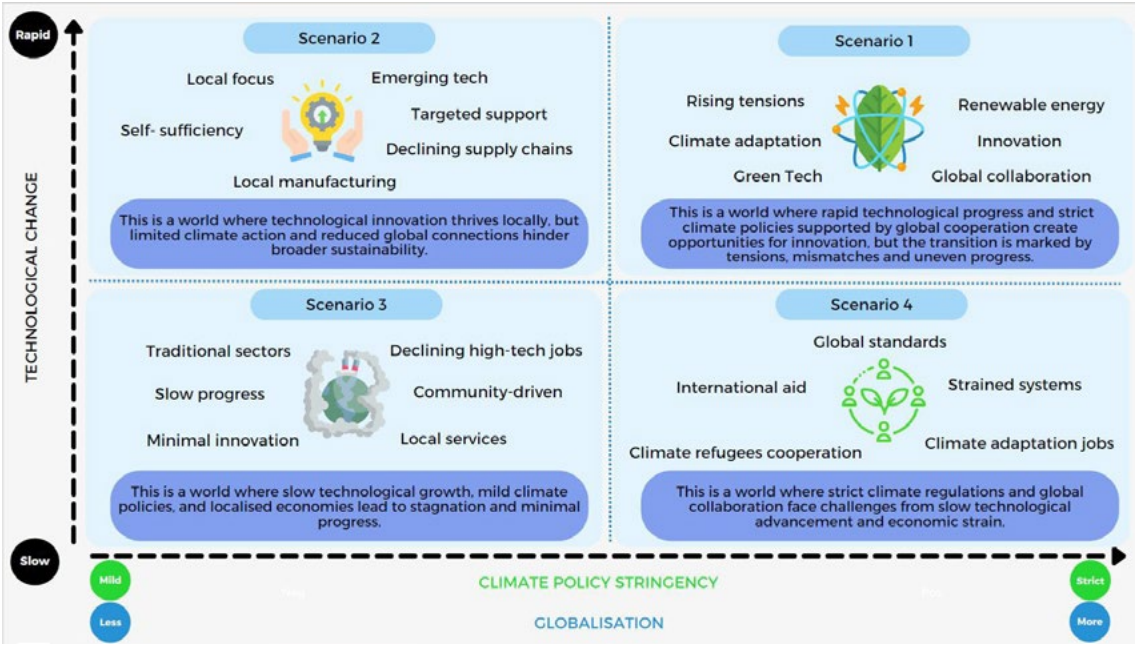
Q4. Gaps or Additions

Are there any important areas or policy actions missing from the proposed package?

☐ Yes
☐ No
☐ Not sure

Optional: Please explain your answer or provide suggestions.

Additional policies



Please review the additional policy proposals put forward by respondents in the first round of the Delphi survey. For which scenario(s) do you consider these policies relevant for implementation?

	S1	S2	S3	S4	Not relevant
Position green jobs as accessible opportunities, not requiring high education.					
Restructure social protection systems to align with climate policies					
Encourage corporate responsibility in lifelong learning initiatives.					
Maintain EU regulatory standards and support civil society solutions.					
Focus on supporting SMEs and worker upskilling programs.					
Expand vocational training in sustainability, circular economy, and digital skills.					
Fair and progressive taxation: Implement wealth taxes on inheritance, capital gains, and financial transactions to reduce inequality.					
Universal access to social services: Ensure access to healthcare, housing, and education for all socio-economic groups.					
Implement inclusive policies to fight discrimination.					
Protect local social welfare systems					

Any other thoughts to share? (optional)

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