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TRACING TRENDS AND EXPLORING THE FUTURE

Trends and Driving Forces Affecting the European Welfare Policies

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INTRODUCTION

One central aim of the futures studies is to help understand the future and to support planning and responsible decision making. In order to plan the next steps as individuals or as communities, we need to think of the world of tomorrow. With the help of methods of futures studies we can try to visualise the possible and probable futures as well as desired and non-desired development.

This report presents trends and driving forces which are a result of welfare foresight process of the Innosi project, which was implemented in ten European countries in 2016. The aim of the forecasting process was to test future thinking techniques in the context of European welfare policy.

The overall approach of the foresight process was positive and in presenting the trends the main attention is paid to describe the future solutions and possibilities with a positive tone but also remarks about possible challenges related to the phenomena have been made. Although in this report the nine identified trends are presented as separate narratives, it must be stated that they are strongly interconnected and interdependent. In today's global, interconnected world, the interdependency of simultaneously affecting forces may lead to surprising consequences. It is often to almost impossible to deduce what is the cause and what is the effect.

The trends and driving forces were created by using techniques typical of futures studies, such as monitoring and operating environment analyses, as well as identifying weak signals and global trends. It is the nature of futures scenarios that they include aspects some of which are more probable than others. There is a lot of uncertainty in the perspective of just ten years into the future. However, it should be kept in mind that the future does not simply happen but is a result of numerous conscious and subconscious decisions and choices that we make in the present. The purpose of presenting these trends and driving forces is to stretch your thinking and to make you consider how the future might unfold.

The report should not be reviewed as an output of academic futures research, but as a compilation of current visions and viewpoints on the future trends. The aim of this trend list is to be both easy-to-read and easy-to-apply. Above all, we hope that the different deliverables of the process would spark discussion and inspire people to exploit foresight tools in the public decision making. The materials can be used to challenge one's thinking and to come up with ways to prepare ourselves for the future as individuals and members of communities and societies.

InnoSi Foresight Process in a Nutshell

The InnoSi foresight process was based on three phases, sensing, sensemaking and seizing. In practice the foresight work consisted of the following tasks:

1. Scanning signals in ten European countries
2. Identifying tentative trends based on weak signals
3. Validating trends in Delphi Survey
4. Building future scenarios and storylines

The foresight process started by scanning signals about the changes and new innovative solutions that can be seen in our surrounding societies. Over 100 experts were involved in scanning the signals. The thematic perspectives of signal scanning were chosen based on the data and analysis of the WP2-4 in Innosi project. The perspectives were: 1) Parenting and early childhood education and care, 2) Economy and labour market, 3) Older people and, 4) Refugees and migrants. Signals were collected and shared in Pinterest, in an open platform.

The collected data was analysed and signals were clustered by researchers nationally. Combining the national findings researchers identified European trends which were described in the form of trendcards. Trendcards were validated in a European Delphi survey. Over 70 experts participated the Delphi survey and the trends were enriched with their professional insight. This data was a basis for national future-oriented workshops where drafts of the future storylines were written from a human-centric perspective. Finally another Delphi round was organized to gain feedback from the experts.

Nine trends and their driving forces which are presented in this report have been used in creating the future scenarios which are presented in the InnoSi deliverable *6.2 Storylines.*

The 'foresightfulness' ideology and its three phases sensing, sensemaking and seizing, is fully described in the InnoSi deliverable *6.4 Handbook "From signals to Future Stories".* All deliverables can be found at www.innosi.eu.

BUSINESSES' SOCIAL IMPACT

From philanthropy and greenwashing to socially and economically justified business

Companies are accused of being the major cause of social, environmental and economic problems. To avoid criticism of prospering at the expense of the broader community, companies try to communicate their social responsibility by launching projects that target social issues.

Two main streams can be identified: on the one hand, large companies are using social responsibility as a marketing strategy for their own good and on the other hand, social economy/entrepreneurship is rising but is still in margin. New regulation would be needed in order to boost the social impact of business.

A new generation is growing, and it which demands more social responsibility, but the demands might be too weak and capitalism continues to prove more powerful. The polarization of consumers may lead to a two-class-society when others prefer socially engaged companies and others cheap chains.

Public authorities are expected to develop models that speak to private investors, and new financing instruments e.g. Social Impact Bonds and Social Investment Funds are released. States' role in proving services is decreasing and new partnerships between NGOs and companies are launched. This can mean higher quality of social services as many companies and NGOs are more rooted in the local communities. Specific groups of people, the most vulnerable people in particular, can benefit a lot from the rise of social economy – this is visible especially at the time of crisis.

Driving Forces

- The rise of consumer awareness of climate change and the shortage of natural resources are posing new requirements to business
- Companies are exploring innovative and ethically and socially sustainable business opportunities
- Changes in the regulatory framework and financing arrangements speed up the development of new alliances between the public sector, companies and civil society to address complex societal problems

Key words: corporate social responsibility, shared value, social impact, social economy, social entrepreneurship, public-private partnership, globalization

DIGITALIZATION OF EVERYTHING

From big data to intelligent life improving services

Digitalization and technology are a part of people's everyday life and influence all the fields of human activity. Digitalization makes people's lives easier in many ways: e.g. by enabling people's connections, peer learning and support. However, there's also a risk of social exclusion of people who are afraid of new technologies or are not able to reach them because of a rural location or poverty. People without access to these networks or databases can be socially, economically and politically excluded from the global processes. There's a danger that this leads to a new global inequality, which may strengthen the already existing inequalities.

Big data, whether from large public sector databases or from social media, is increasingly being combined with artificial intelligence, virtual reality and robotics to start creating new approaches to deliver public services. In the future, technology will deliver new service interfaces that promise to be more efficient and flexible. The development of e-government can make the public sector more open and citizen-friendly. Digitalization changes the labour market: many jobs, mainly doing with routine tasks are disappearing, whereas others are emerging. Digitalization enables solutions that can be used for helping or substituting human labour. Robots will partly replace human workforce. Healthcare and social service providers and their services have to adapt to patients' increasing need for digital solutions. They have the potential to empower people to have more control over their lives, e.g. to manage their own health can care records, share wellbeing data, communicate with their care team with trusted people through patient portals etc.

Digitalization changes social life as social intercourse happens more often virtually and in social media. It enables peer support, but we can also forget the importance of face-to-face relationships. Privacy and ethical questions become important. Digitalization can make us more vulnerable (e.g. hacking and terrorism), and network surveillance limits the freedom as people become more predictable and governable.

Driving Forces

- Digital technologies break down industry barriers and create new opportunities while destroying existing operational models
- Virtual and augmented technologies permit the simulation of and interaction with the reality
- Artificial intelligence and deep learning blur the distinction between machines and humans
- Robotization enables either fully or partly automated services
- Intelligent, connected and self-learning machines pose unexpected ethical and existential challenges and threat the protection of vulnerable groups
- The over-reliance on technology takes away the aspect of human interaction

Key words: digitalization, big data, internet of things, artificial intelligence, virtual reality, augmented reality, deep learning, robotics, sensors

DIVERSE HUMAN-CENTRICITY

From monoculture to individuality and human-centricity

Technology and awareness enable a shift towards individuality. One size hardly fits all. Even marginal groups and extreme phenomena are becoming visible. More support and attention are targeted towards marginalized groups. The availability of tons of information makes it possible to uncover many issues of groups which were invisible before. Sharing and collaborative economy can save money and environment and challenge the current form of capitalism.

In a time of immense economic crisis, the way both the state and the society can respond to welfare is challenging. Vulnerable groups need protection. People and communities have to take more responsibility. Civil society is on the rise and there are more self-help and community-based solutions, ideas and innovations. People are providing help where the welfare state is not able to. People are given more power to design their own services according to their individual needs and this leads to more effective solutions. Personalized and co-produced services are maximizing the resources and producing innovative solutions. The number of informal civic networks is expected to rise rapidly.

At the same time the concern is those communities and people that aren't able to develop community responses. If structural inequalities are not addressed, the scale of improvement of vulnerable groups' conditions will stay limited. Individualism can have a negative influence on social ties as well. Outsourcing the welfare state to self-help and non-profits which may be less reliable and may lead to inequality between citizenship groups. In order to avoid this, new solutions and relationships between public and non-profits are needed.

Driving Forces

- Big data and internet of things enable the development of smart and tailored/personalized services
- The importance of value-driven organizations in civil society is increasing
- Increasing pursuit of meaningful living in contrast to materialism
- Citizens are seen in service design processes as co-creators, not only as beneficiaries

Key words: human-centricity, smart services, resource efficiency, communities, smart cities, welfare, sharing economy, solidarity, inequality

FAMILY ON THE RISE

From a life-work balance as a question
of legislation to a change in personal
and cultural values

Family and gender role models are transforming and affecting the labour market. The operational change for women to participate more in working life may generate new legislation concerning labour law and family allowances or maternity and paternity leave. However, on a wider scale, the advancements in gender equality and work-life balance base on personal, organizational and cultural values and changes are slow. Education is one key to transforming cultural gender values so that equality is not only recognized at the institutional level.

Welfare services need to be adaptable to the diverse needs of the new family models: they must take into account the needs of the families with two working parents and single parents. New service needs create both challenges and possibilities for public, private and third sector actors. When women work, more resources are needed at the day care services and at the same time, families search for new solutions for coping with their domestic work.

Family ties are becoming more important again but diversity is the new standard. The extended family can mean close interdepence with grandparents as well as close interaction with the neighbourhood or other social network. The aging population also creates new forms of intergenerational cooperation in housing and care services.

Digitalization helps to increase the use of flexible working arrangements such as working from home. More people can choose to combine family and work.

REDEFINING WORK

From being employed to new ways of creating value

Work and the labour market are being redefined due to global unemployment and the changing nature of work towards automation and knowledge work. Work changes every single day and nothing is stable. There's a need for work flexibility in developed countries. It's important to teach young people how to learn during their whole life.

More people are self-employed but not necessarily through choice. This makes it very difficult for people to have any security and creates a growing risk of working poor. The labour market will be much more segmented: high-skilled people get more interesting and more flexible jobs, the less skilled run the risk of being even more marginalized. There will be a push of large groups out of the labour market permanently and this can mean the rise of stress and mental health problems. The unsustainability of the labour market and stress related to that can lead to the increase of radical moods. The welfare system may collapse due to too few tax payers. Social economy and the voluntary sector will grow.

New forms of collaboration arise and the infrastructure needs to support this shift. Technology, such as 3D printing and internet of things solutions enable manufacturing anywhere. Hyperlocality arises as work can be done anywhere – there will be more virtual employment.

Driving Forces

- Globalization benefits high-performing professionals and punishes low-performing workers
- Many occupations become threatened by the automation of work
- Traditional employment is significantly reduced, while the sharing economy with digital platforms creates new working opportunities
- Digital crowd platforms enable new forms of organization and innovation, e.g. digital craftsmanship
- Digital hobbies – such as gaming and content creation – become valuable assets in labour market
- Immigration stimulates European economies and immigrants become a source of talent and European bridges to Africa and Asia

Key words: work, millennials, labour market, technology, unemployment, self-employment, virtual work, mobility, digital platform

RESOURCEFUL SENIORS

From retired pensioners to resourceful citizens
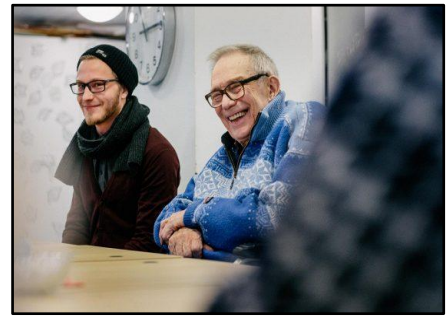
Along with the aging population the focus on seniors is inevitable. Seniors are facing various challenges in the society from the state of inequality and poverty to the feeling of being a redundant citizen. Depopulation increases many challenges of senior citizens in rural areas, whereas isolation and loneliness can be problems also in bigger cities.

The responses to the trend vary from volunteering and community-based services to senior-targeted offerings and transgenerational social care solutions. Reciprocity in giving and receiving help makes the society more humane. At the same time, new technological solutions and equipment help the elderly in many daily routines.

The existence of the silver economy creates a counterbalance to the youth-centred culture. Seniors are an important group of consumers and this is taken into account in the design of products and services.

The need to stay active in the senior years is two-dimensional. Firstly, participation in civil society can be empowering and it supports individual well-being and secondly, the efforts can be valuable to the economy by decreasing the social and health care costs.

Pension reforms change our understanding of a career. New structures of senior employment and mentor

Driving Forces

- The rise of the silver economy changes attitudes towards elderly people
- The emergence of intergenerational relations, such as the sharing of a household
- Modern medicine enables us to live longer and healthier
- The demographic bias prevents European societies' ability to renew themselves
- The elderly become excluded by digital technology

Key words: seniors, aging, demographics, silver economy, third age, social care, healthcare, inequality, senior services, senior solutions, intergenerational

programmes are developed in working life based on respect for the expertise and knowledge of the elderly.

RETHINK EDUCATION

From one size fits all to passion based learning

Novel forms of learning and education are being identified in order to respond to labour market changes, various social needs and wicked problems. However, education is not only a tool for employability but it has a role of upbringing citizens. Peer learning and growing up together with minorities develop human and open-minded citizens.

Human-centred sciences drive future oriented talent and individual oriented solutions including less privileged groups. Individualized study paths, use of e-tools and learning by doing methods reduce school dropouts. Schools provide support in learning difficulties and encourage those who have a talent or passion for something.

The focus is on learning how to learn and learning activities can happen anywhere. Technology transforms the education system – e.g. improves data collection, provides global online and open education material, and offers new learning methods such as simulations, trials and gamification. Technological advancements

Driving Forces

- The transformation of work forces the education system to change
- Multicultural working environments require a new set of soft skills
- Working with learning robots and machines requires new skills

Key words: education, learning, pedagogy, school, life-long learning, career, working life, skills, competences, millennials

and private–public collaborations prepare the youth for the future. New models of education enhance curiosity and creativity of the students. Schools encourage those who have a talent or passion for something.

SHADES OF INEQUALITY

From wealth polarization to social longtail

While polarization and the wealth gap advances, and chronic poverty follows vulnerable groups and regions, the longtail of social challenges hits individuals in various forms.

The new segments of social mismatches caused by sudden labour market challenges, growing mental health issues and drug problems can find everyday individuals and identify them as the "new poor". Disadvantages pass down in the family.

Stronger segregation between the rich and poor leads to a wider misunderstanding between classes. Unwillingness to participate in the financing of the welfare services is rising among the successful in the society. Harsh attitudes and values can be seen in the political rhetoric as demonization of poorness and unemployment. Individual misery and disappointment can evolve into further riots and explosive conflicts.

Changes in the taxation system and new forms of capital distribution are tested in order to prevent the collapse of social system.

Driving Forces

- Globalization divides people into winners and losers
- The stickiness of poverty persists across generations
- Toughened attitudes towards vulnerable and strangers
- Polarization of digital abilities between citizens

Key words: inequality, poverty, transgenerations, social innovation, social care, public sector, new poor, wealth, social long tail, refugee crisis

SOCIAL MOVEMENTS

From local voices to fast moving global movements

Digitalization increases social awareness and enables people to form movements around different causes and shared values. People can be associated by their passion to create something new as well as to fight for their rights. Participation happens more often in collective and spontaneous actions for a particular purpose instead of long-term commitment to institutionalized organizations.

The rapid diffusion of social media has changed the political discussion. It has enabled two intertwined processes: globalization of local events and localization of global events. Social media is an example of technology that not only increases or decreases something but transforms it into something totally different. Social media has the potential to change the thoughts we think about, the ways we deal with the thoughts and the communities where the thoughts have come about.

Social media is neither good nor bad. Instead it can be seen simultaneously as a solution and as a problem. While social media expands the information pool from which to draw decisions, it also simultaneously generates contradictory information that makes it difficult to achieve consensus. Distrust for authorities leave frustrated people to look for like-minded people globally. Social movements spread via social media and push decision-making. Political leaders are challenged to take a stand and policy makers are forced to answer for demands of openness and transparency.

Media literacy is a vital competence while often the loudest voices are best heard. The challenge is to find a balance between the demands of strong but marginal activist groups and the necessities of the silent majority.

Driving Forces

- The rapid growth of social media platforms that enable fast, low-cost and boundless communication
- The emergence of global citizenship and global activism
- The inward-looking and national movements capture the European political landscape and the post-truth politics becomes something of a new norm

Key words: globalization, localization, movements, social media, digital crowds, nationalism, conflict

AFTERWORD

Decisions affecting the world of tomorrow are made every day. Future challenges us already today and we can't afford to wait and see it in the horizon. Forecasting future development is not easy, but analysing different phenomena and understanding the drivers of change can support us in making better decisions.

The trends in this report are not presented to tell what may or will happen in the future, but to describe interesting phenomena and key drivers which affect the future of the European societies.

The target of this report is reached if it manages to challenge one's thinking and to spark discussion about the alternative futures.