

EUROPEAN FOREIGN POLICY IN 2027:
PREPARING FOR THE UNEXPECTED

RISKS AND MITIGATION APPROACHES

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PREFACE

What risks could the European Union (EU) be facing in 2027? Shaken by growing internal agitation as well as wider geopolitical developments the EU has to redefine its role on the world scene while strengthening its core project. Integration has taken place on all levels and risks are therefore increasingly a concern to the EU as a whole. The Lisbon Treaty established several instruments in order to strengthen and coordinate its external action in 2009. This policy however faces serious internal and external challenges which question its capacity to define and defend a European interest in the long run. EU policy makers therefore need to analyse risks and take precautionary measures.

In this report, a group of 30 young Germans, French, and Polish with diverse professional backgrounds present scenarios on major risks threatening EU foreign policy interests.

The scenarios inevitably ignore many challenging risks, either because decision-makers already considered them, or because the participants assessed their significance too heterogeneously. One of the main challenges has been to observe weak signals, regarding genuine threats yet less known, less studied or risks being so much part of our everyday life, that we fail to perceive them.

Some scenarios (e.g. 'sand-war') also overcame our expertise capacity and would require a deeper understanding. Moreover, studying possible interactions between scenarios shows that driving risks like data manipulation or resource shortage are slow developments in need of constant monitoring. On the other end of the spectrum, scenarios built on the rise of populism seem to be fostered by other scenarios happening, as populists might exploit all negative impacts on EU foreign policy.

In a world of (fake) news a fight for the truth seems therefore to emerge: The authors urge for a strong commitment from the EU and its member states for more transparency as well as improved communication in order to (re)build trust among its citizens and towards institutions. This stands as an essential prerequisite to drafting EU resilience strategies including monitoring, prevention and emergency responses for the five major risks identified in the following. In doing so, the EU will reinforce its problem-solving capacity by involving committed member states and an empowered civil society.

CYBER-ATTACKS ON EUROPE'S INFRASTRUCTURE

1.1 DEFINITION

A cyber-attack can be any kind of offensive manoeuvre that targets IT systems, computer networks and personal computers by various means of malicious acts, usually originating from an anonymous source. As networks have spread all over our everyday lives, cyber-attacks can be deployed by nation-states as well as criminal organisations, groups or individuals. They can thus be labelled cyber campaign, cyber warfare or cyber terrorism depending on the context.

1.2 POTENTIAL IMPACTS AND CONSEQUENCES

- Cyber-attacks result in a series of issues, from manipulation of IT affecting infrastructures, to loss of leadership and reputation, reduced capacity to act, diplomatic, economic and humanitarian crises and so forth.
- State-driven cyber warfare targets infrastructure in particular as it allows to impact on the lives of millions of people with only limited resources.
- Industrial controlling systems, energy and finance infrastructures, telecommunications, transportation and water infrastructures appear as a target of choice for cyber terrorism and cyber warfare in general.

1.3 SCENARIO

EU hit by hacking apocalypse of financial system. Game over for EU economy?

January 1, 2025 should have marked the final breakthrough on the way to the United States of Europe and was supposed to complete the European banking union. However, unprecedented cyber-attacks on the financial markets have caused havoc all over Europe, and put its economic future in peril. Hastily uncoordinated nationalizations could not prevent the ensuing economic crisis and political leaders are still at odds about how to win this war and against whom.

As cyber-experts tell us, this crisis was decades in the making: The digital single market lead to a nearly cashless society; block chain based transfers have become a fundamental part of our economy and of our daily lives. The majority of assets are managed by algorithms through

rapid advances in artificial intelligence (A.I.) research. An increase in cyber-warfare capabilities lead at the same time to a great level of grossly underestimated vulnerabilities

The true origins of this crisis are still mist-shrouded. What leaders claim to know is that a big foreign power has infiltrated EU banking networks and confused A.I.-led funds and investors with tampered data. This caused eruptions of suicidal sell- and buy-movements that ruined one financial actor after another and the widespread loss of confidence led to bank-runs. The European financial system collapses.

Within the EU, the crisis has quickly spiralled out of control by a cascade of nationalist backlashes. A coordinated and joint response at EU-level is desperately missing and so is solidarity within Europe.

1.4 POLICY RECOMMENDATIONS

All critical IT systems - public or private - need to be redundant, decentralized and encrypted in order to improve their resilience against cyber-attacks. The administrations have to develop analogue and off-line backup plans and defensive cyber warfare expertise in general.

We need closer cooperation between public and private actors on EU-level to combine the flexibility of the private sector with states' legal authority. We have to improve communication channels and encourage common procedures.

We need alternative financial transaction methods to avoid dependency on traditional systems and to soften the impact of possible disruptions.

Private and public actors need to modernise and improve overall IT and cyber-warfare capabilities. This is particularly important in key economic environments, like the financial sector where intelligent 'trip-wires' in financial algorithms should trigger emergency shutdown.

We need EU leadership for this legislation. It would strengthen the EU as a whole.

RISE OF POPULISM IN EU MEMBER STATES

2.1 DEFINITION

Populism can take various forms, but always operates on the basis of a core concept, the *people*, considered as a homogeneous collective and serving both as the source of and the recipient for political actions. A central element is the differentiation from others: from 'elites' and the 'establishment' on the one side, as well as from other peoples, nations and therefore immigrants on the other. This is also linked to a crisis of representative democracy. Citizens have the impression that their interests are no longer represented.

2.2 POTENTIAL IMPACTS AND CONSEQUENCES

- Euroscepticism and populism grow due to a loss of trust in political structures and manifest themselves election outcomes. Media fragmentation, polarisation through social networks and fake news further facilitate this development.
- Governments focusing on national issues - and changing mentalities and political programmes of established parties in order to win populist voters - lead to a vicious cycle.
- The EU loses its normative power with regard to human rights, rule of law, democracy, equality and freedom. Governments prefer bilateral over EU-level negotiations, which leads to fragmentation and an institutional paralysis.
- Weakened internally, the EU has not only lost its credibility – both, among its own citizens and on the international stage – but also its economic competence. It has significantly lost the capacity to play a role in international affairs.
- A positive effect is the creation of new dynamics and movements pleading for a stronger European integration. They can foster a shared definition of European values.

2.3 SCENARIO

Social democrats change core principles and mainstream populist ideas

September 2027: Two years before the elections of the German Bundestag, the SPD has come together to reassess its political values and European

orientation. After a historic electoral defeat at the last elections, support for the former "people's party" is now at around 8 per cent, while the AfD and the New Autonomous Left, a political movement on the extreme left of the political spectrum, have taken the lead in 2025. The past government coalitions did not focus on social issues and invested little in education. In addition to this, Germany's economic situation is critical due to the crash of the car industry, the loss of its worldwide technological and digital leading role, the weight of demographical changes with higher expenses on care, health and pensions. Mass immigration continued and integration policies failed. Xenophobic resentments have become mainstream

In all European countries, political parties slowly adopted populist approaches over the past 10 years. The SPD leads its board now to adopt its new Manifesto "Justice for every German worker". With this new program, the SPD will focus on Germans having worked and contributed to the federal social welfare system for at least 15 years. It entails the abolition of social protection for migrants, more financial support for German families and tightening the naturalisation procedures. Refugees would no longer be allowed to enter Germany.

The Social democrat's statement declares that 'Germany has to regain sovereignty' and urges to close its borders succeeding Austria, Denmark, France and the Eastern European countries. Furthermore, the SPD considers leaving the Eurozone and NATO following the example of France.

2.4 POLICY RECOMMENDATIONS

In order to strengthen participative democracy, administrations should establish local civic councils and civic tech at all levels. In France, an assembly of randomly selected citizen should replace the Senate. In Germany, they should make up parts of the *Bundesrat* and the federal state parliaments. Parties should promote young people.

The elections for the European Parliament in 2019 should include transnational election lists and programmes.

National and European institutions need to become more transparent by facilitating access to parliamentary committees' sessions (e.g. web stream). Parliaments should obtain veto rights on newly designated governing personal.

In order to improve political education and to develop a common European identity, the European Commission needs to extend exchange programmes: At least 80% of a generation should have lived in another member state for at least 6 months.

MIGRATION TO EUROPE

3.1 DEFINITION

Migration designates the movement of persons from one region or country to another with the purpose of at least temporarily settling there. If a truly common approach towards migration continues to lack, the substantial increase of illegal migration from Africa to Europe is a major risk factor for the common EU foreign policy.

3.2 POTENTIAL IMPACTS AND CONSEQUENCES

- The collapse of the Dublin 3+ agreement (established in 2019) leads to uncoordinated refugee movements towards economically stable countries. Main arrival countries as Spain, Italy and Greece suffer from a lack of capabilities to manage EU immigration.
- Border controls inside the Schengen area leave refugees stuck in arrival or transit countries. Restrictive border management hinders free movement of European citizens and technically implies the end of the Schengen agreement.
- The failure of EU foreign policy to stabilize developing countries by means of economic cooperation, humanitarian aid and development policy increases the number of migrants.
- Resentment towards foreigners in the EU increases.

3.3 SCENARIO

2027: Nigeria is the new Syria

With an estimated population of 250 million, Nigeria is by far Africa's most populous country. In 2050, Nigeria's population will outnumber that of the EU. Half of its inhabitants will be below the age of 15 and millions of them will strive to live in Europe. Political, religious, ethnical and economical conflicts mingle to a situation of permanent crisis that leaves great parts of the population displaced.

Nigeria's economy is in full decline, not able to provide employment sorely needed. More than 90 percent of the country's export revenues are related to oil, a natural resource declining in value. Non-oil growth has been stagnating in Nigeria for decades, leaving an entire young generation without perspective.

Their way to Europe leads them to Libya, where the capacity of refugee camps has been exhausted a long time ago. Since Libyan state building failed, border control is no longer able and willing to hold them back. EU cooperation with local authorities comes to a halt. Libyan coast guards stopped patrolling. In consequence, millions of migrants arrive at European shores in the Mediterranean.

This movement of displaced people puts a real strain on inter-European relations and threatens the functioning of Schengen and Dublin 3+ agreements. Over the last few months, countries with external borders have stopped the Dublin mechanisms temporarily. They suspended expatriation to countries of arrival as humanitarian standards in arrival camps are repeatedly not met. The EU migration policy failed and member states reinstate permanent border control: Schengen belongs to history.

3.4 POLICY RECOMMENDATIONS

Member states need to actively develop cooperation with Sahel G5 countries.

The EU has to improve legal ways for migrants to apply for asylum, work or residency permits in order to reduce illegal migration, for instance with humanitarian visas.

The EU has to fight root causes of migration by improving development policy taking into account economic development that would create work and opportunities for the young.

The political actors of both EU and member states have to take account of other causes of migration, like climate change, crime, ethnic and religious conflicts.

RISE OF NEW ACTORS AND NETWORKS

4.1 DEFINITION

New actors can be defined as emerging, identity-generating global networks with either clear political objectives or shady individual goals. Those actors are organised in a diffuse manner and have neither legal entities nor a clear geographical location. This makes them flexible, anonymous and often hard to respond to for traditional actors. Examples are the international group of hackers 'Anonymous', the non-profit organisation 'Wikileaks' and the terrorist group 'ISIS'.

4.2 POTENTIAL IMPACTS AND CONSEQUENCES

New actors and networks affect EU foreign policy in various and unpredictable ways.

- They have consequences on public opinion and are able to alter essential infrastructures.
- They can, at the same time, undermine democratic institutions and represent new opportunities for opposition parties or movements in authoritarian countries.
- As the networks act globally and cannot be located, they pose a threat as well inside as outside EU territory. The line between domestic and foreign policy blurs and responsibilities for actions are hard to assign. Furthermore, the network's complexity and unpredictability make traditional crisis response mechanisms void.
- Networks do not respect the rule of law and traditional justice systems. Traditional legal instruments become useless. Adequate policy instruments are lacking and hinder any rapid reaction.
- Member states' essential infrastructures (transport, energy, water supply and digital infrastructure) are particularly at risk.
- In the long run, states lose their response capacity. They lose national sovereignty and democratic legitimacy, resulting in weakened social and economic cohesion and a rise of extremism. The EU will have even more trouble speaking with one voice.
- There is a high probability that new laws on data privacy will further restrict civil liberties

4.3 SCENARIO

Hiding in the depths of the internet – European decision makers helpless

Devastating terror attacks are carried out simultaneously in five European capitals in February 2027. No terrorist network has claimed responsibility. It seems that the terrorists passed under the radar of police and secret services. The state of emergency is declared and threat levels have been raised to the highest in all EU member states, impeding trade routes and mobility. Civilians create militias to protect their neighbourhoods. The perpetrators used the *darknet* and other flexible anonymous ways to communicate. Responsible institutions are helpless. The attack resembles that of 9/11 in its scope and is a wake-up call for European decision-makers to reunite to fight new, more agile terrorist networks.

At the same time, crucial databases in the public sector have been manipulated over many years. This has led to historical data loss in September 2027. Special software carried out modifications of names and numbers in databases of the Foreign Ministry over a period of more than 6 years. As modifications were introduced gradually the incident was detected only recently. It looks as though A.I. was used to choose plausible random replacements. As the oldest backup from 2021 may already be affected and due to the digitisation of all databases in 2018 as part of the paper-less government efforts, there is no reliable database left.

4.4 POLICY RECOMMENDATIONS

Intelligence and police need to cooperate at EU level as well as with third countries.

Decision makers have to be more flexible in their thinking to integrate the possible risks by new criminal networks in different policy areas.

EU foreign policy has to develop a more trans-disciplinary and transnational expertise and prevent 'brain drain'. We need citizen's emergency trainings as much as prevention of radicalisation and improved integration of minorities, general social inclusion and social mobility.

Institutions have to monitor network activities systematically. Digital infrastructure in the public and private sector need to be more decentralised.

DEPENDENCY ON NATURAL RESOURCES

5.1 DEFINITION

In this paper, we define natural resources as the natural, biological, and geological components needed to satisfy primary needs of humans as well as their social and economic system. The unequally distributed resources across the globe and beyond put the EU member states in a dependency situation of third countries or private stakeholders.

5.2 POTENTIAL IMPACTS AND CONSEQUENCES

- Resource wars of different constellations and intensities occur.
- Discontent and public uproar caused by higher prices, loss of jobs due to the demolition of production capacities and limitation of products available in the EU, spread.
- One-policy-related break-aways and unilateral negotiation of trade deals (openly or hidden) lead to the end of the common single market. Potentially, more countries leave the EU.
- The destruction of production preconditions (land, facilities, expertise, etc.) leads to even higher dependency on other countries than naturally given.
- The ecosystem suffers from non-regulated exploitation.

5.3 SCENARIO

Sand-war along the coasts of the EU

Until recently sand and gravel accounted for up to 85% of raw material mined globally each year. Sand is commonly used for concrete, roads, glass and electronics. Authorities do not consider it a scarce resource and it is therefore not regulated by international agreements and conventions. A great demand for sand in Asia - especially due to the fast-paced urbanization of China - led to a growing pressure on the EU and the US to increase production and export. Since 2010 Germany, France, Italy, the Netherlands and Belgium who are (with the US) major producers and exporters of sand, responded positively to these calls and increased mining of sand from beaches and riverbanks. Local authorities and NGO's harshly criticized this move and called for the EU to establish limitations on sand extraction, warning about the

impact it has on the European ecosystem and flood and water safety of cities worldwide. Its consequences are losses of biodiversity, salinization, and lower resilience of coast to storms. Hence there is an urgent need for the UN sand convention to regulate the issue.

5.4 POLICY RECOMMENDATIONS

The EU needs to include resource sovereignty in its foreign policy and has to consider agricultural production capacities a strategic resource and even as mutualised European assets.

We have to broaden the concept of multi-diversification which also concerns resources from the Arctic and out of Space. We need diversification on several levels at the same time: resource-mix, use made of one raw material in order to dispel too strong lobbyist interest on one resource, suppliers, routes and the modes of transport.

Administrations have to develop democratic emergency strategies for technical, logistic, administrative and maybe even military precautions in order to become as resistant and resilient as possible. They have to raise awareness and build mental resilience as it is a major factor in calming our hyper-connected and irritable societies.

Governments should use international regulation platforms to engage all international actors in order to find a viable global consensus that also creates a global, shared perception of the problem. Building mutual trust and finding compromises are essential.

The EU should aim at public ownership of biodiversity and create a catalogue of the living and currently disappearing species.

We have to focus on a more conscious energy consumption.

Internal measures in all EU countries should foster resource efficiency and recycling. Common recycling goals could potentially bring more results than a regulatory approach introducing a common recycling and efficiency policy.

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