

**“Thinking Out of the Box”
Weak Signals and Wild Cards for European
Regions**

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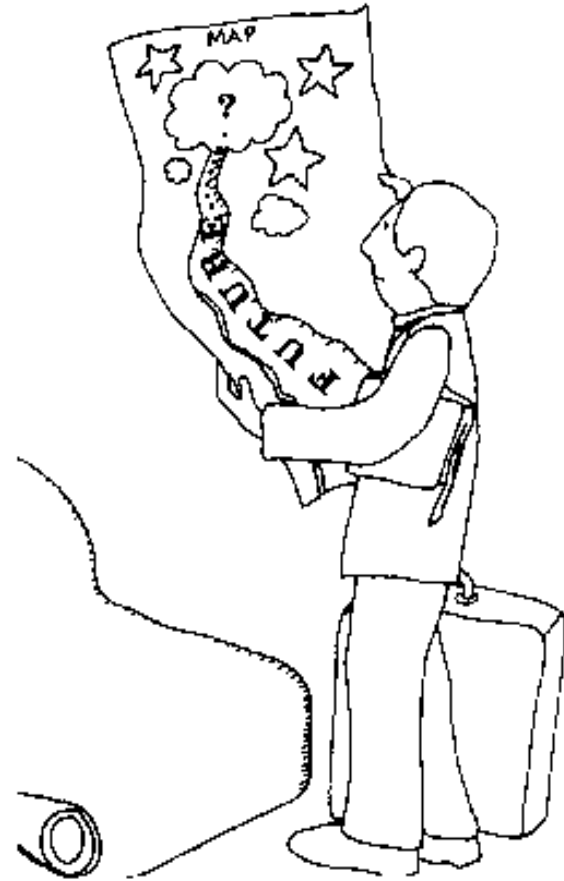
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Overview

- Introduction
- Weak signals & Wild cards methodology
- Wild cards for Europe
- Conclusions

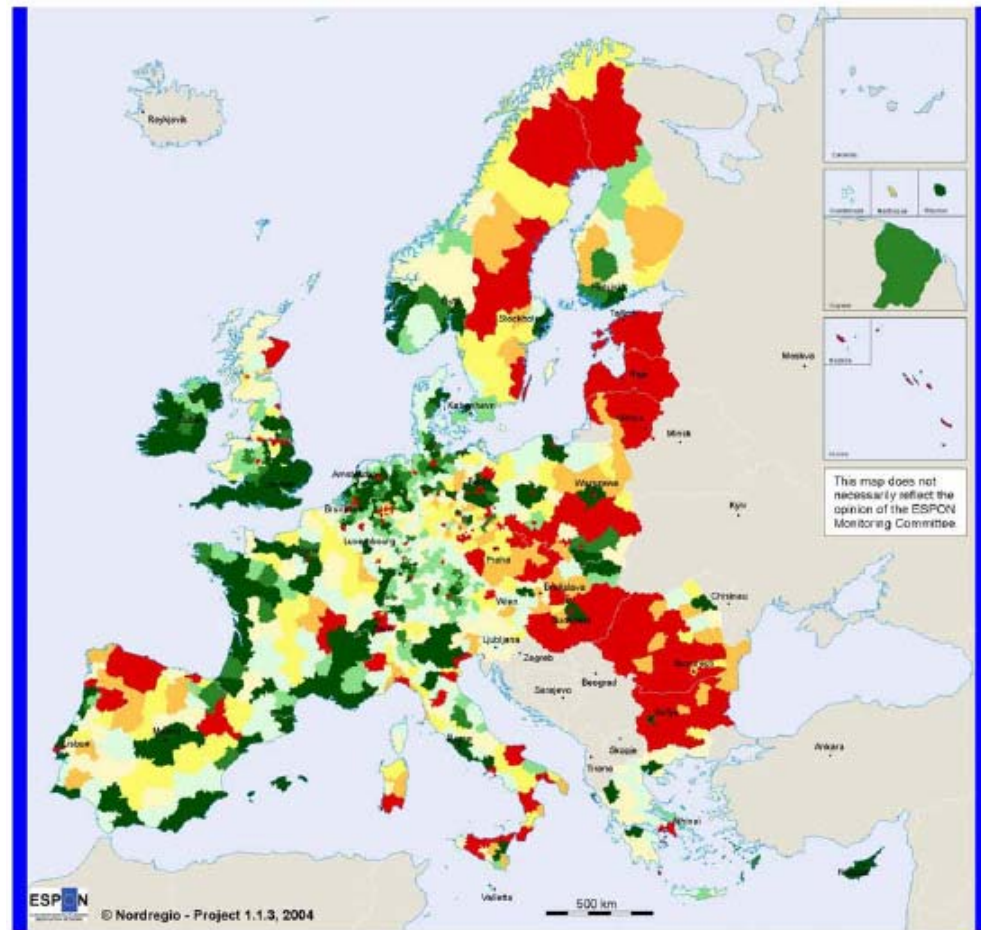


Europe's Regions: Some Trends

Trends:

- Demographic ageing, shrinking, migration and general redistribution
- Redistribution of economic growth (centre vs. periphery, growth regions, West vs. East)
- Establishment of knowledge regions
- Rising concerns about global competitiveness
- (Differently) high levels of unemployment
- ...

Redistribution of population



Europe: Open Questions

Everything clear about the future of European regions?

Question marks:

- ? Territorial cohesion
- ? Impacts of EU policies on regions
- ? Further enlargement – new regional borders?
- ? European institution building
- ? Economic prospects
- ? What else...

Economic worries:

- Wim Kok: No real movement towards the Lisbon goals...
- Constant failure of Germany, France, Italy to comply to Maastricht criteria
- ...

Societal worries:

- Social disparities
- Socio-ethnic clashes
- ...

Comets – Signs in the Sky

A Blazing Star,
Threatens the World with Famine, Plague
and War;
To Princes, death; to Kingdoms many
crosses;
To all Estates, inevitable Losses;
To Herdmen, Rot; to Ploughmen, hapless
Seasons;
To Sailors, Storms; to Cities, civil
Treasons.
Guillaume Du Bartas (1544-1590):
La Semaine ou création du Monde (1578)



What are our “comets”?

Wild Cards and Weak Signals

Recent news:

- France and the Netherlands voting against EU constitution
- Quarrel on Turkish candidature
- Dismantling of EU service directive and Port Package II
- “Cartoon quarrel”
- Postponement of Bulgarian and Romanian membership
- Worries about EU energy security
- New Avian Flu warning

Tackling uncertainties:

- What wild cards (shocks are to be expected?
- Can we prepare?
- Are there weak signals before the event?
- How can we identify them?
- Which ones are relevant?



These are our “comets”!

The Future of Europe: A Blind Spot?

**The observer
doesn't see
that he doesn't see
what he doesn't see.**

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Is the future of Europe developing behind the backs of the observers?

What are Weak Signals?

Igor Ansoff 1984:

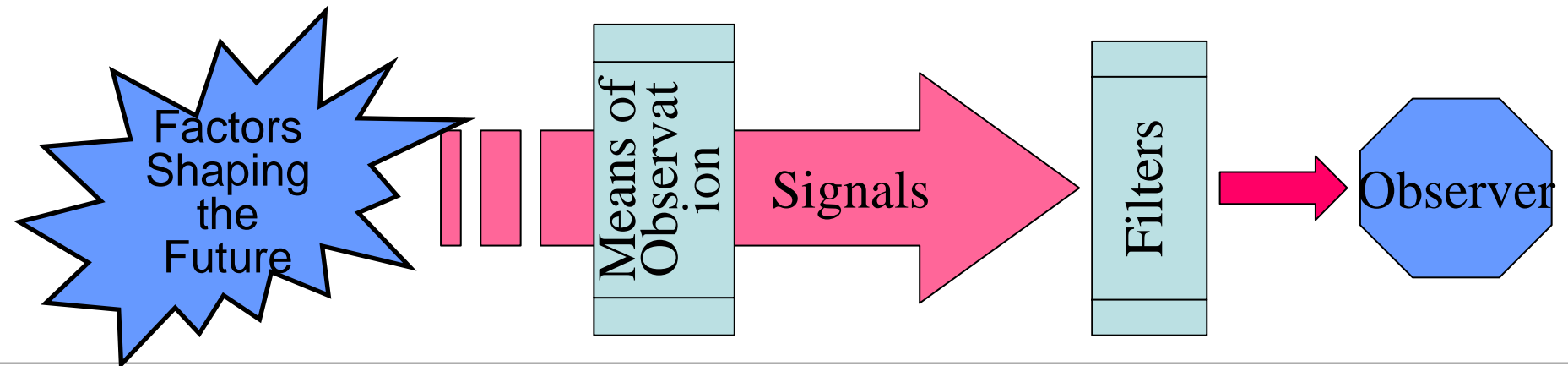
*“Other issues will contain **weak signals**, imprecise early indications about impending impactful events.....all that is known (of them) is that some Threats and Opportunities will undoubtedly arise, but their shape and nature and source are not yet known.”*

Michel Godet:

“... a factor of change which is now barely perceptible but will make up tomorrow’s heavy or mega-trends.”

But also indicators of ruptures, wild cards and other discontinuities

The channel model of weak signals



Wild Cards – Unexpected Discontinuities

Weak signals may herald the advent of a **wild card!**

Sudden events with:

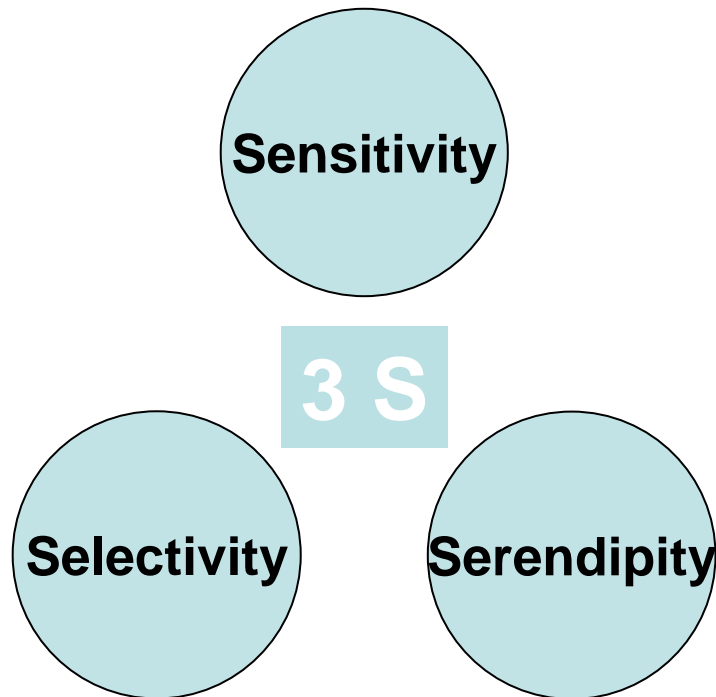
- Low probability (less than 0.1)
- High impact
- Surprising character

Wild cards

- undermine current trends.
- create new futures.
- influence our thinking about the future – and the past.
- give rise to new concepts and new perceptions.

Wild cards are earthquakes of the mental landscape!

The 3 S of “Weak Signals Management”



- How to develop sensitivity?
- How to balance sensitivity vs. selectivity?
- How to organize serendipity?

Scanning for Weak Signals

Scanning

- "Scanning" refers to the logically structured, iterative monitoring of selected information sources

BUT:

- No "search engine" for really new things (new words!)
- Recycling of ideas: Futurists quote futurists...

"Anti-Scanning"

- Main idea: New things do not develop within the mainstream but at the fringe.

Observe marginal ideas & groups!

- "Trendsetters"
- Artists
- Science Fiction
- Socially excluded persons
- Youth

Give room for crazy ideas!

- Channeling???

"This is a good idea – but is it crazy enough?"

Weak Signals from “the Fringe”

Quality standard for weak signals of emerging developments

- Unexpected
- Not too plausible
- Challenging
- New even to experts

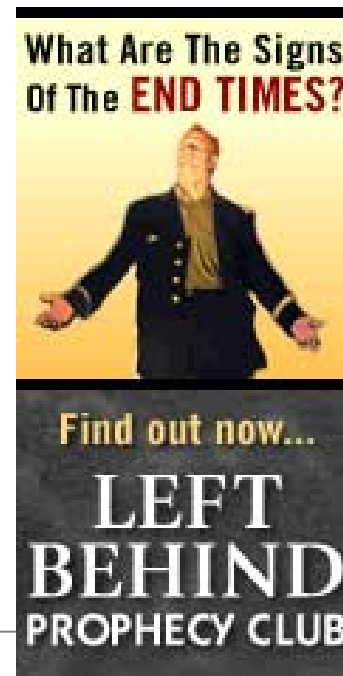
BUT: to be confirmed by additional sources

Example:

Evangelical interpretation of our age as “End Time”

Problems with „fringe ideas“

- Many different views, perceptions & convictions
- Question of truth and belief



Looking for Weak Signals through Wild Cards

Wild Card Portfolio:

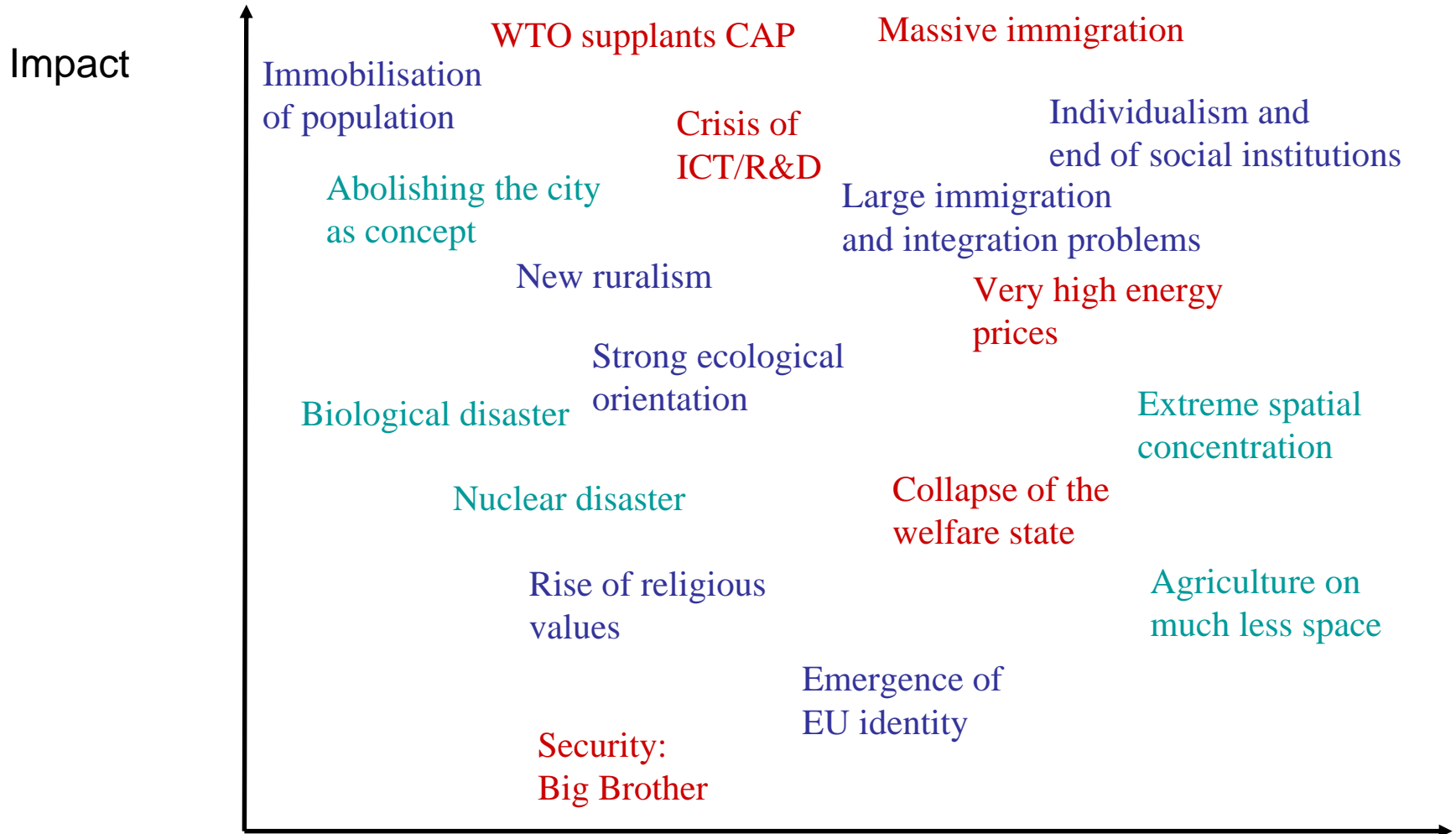
- Sufficient number of sufficiently distinct wild cards
- Wild cards from the topical core of the study and from the environment

Serendipity principle: Wild cards help to look for weak signals



To every trend, there are wild cards!

Wild Cards from an ESPON Seminar



More Wild Cards for European Regions

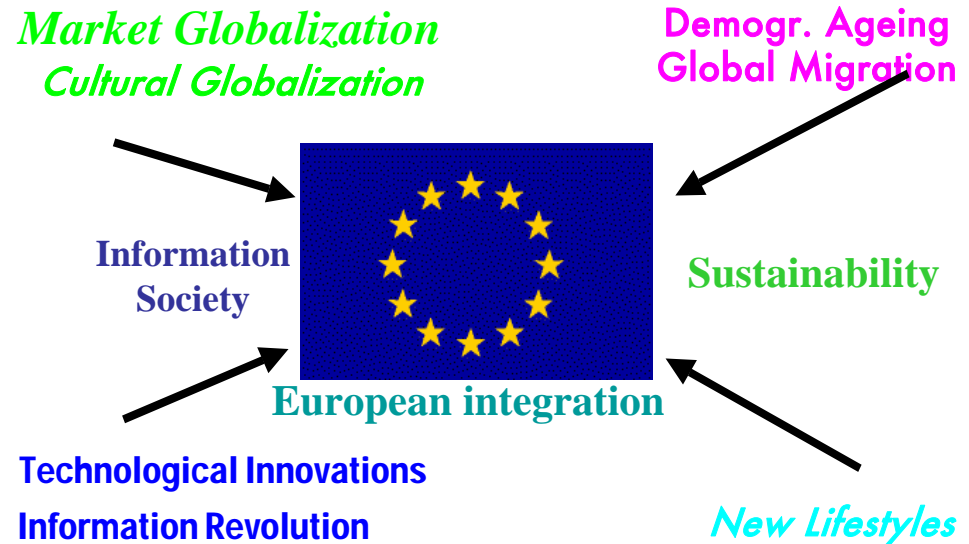
Trend	Wild cards
Globalisation of markets: Finance, goods & services, labour	Crash of global financial markets Glocalisation as regionalisation Clash of civilisations
Demography: Ageing and shrinking of populations	A new baby boom in certain regions „Breakdown of the sperm count“ Clash of generations
European Union: Enlargement and institution building	Europe orients to the East „Fraglargement“ Fortress Europe
Life styles: Erosion of traditional family	Return of the family Spiritual revolution
Technology: Rapid progresses of ICT and biotech	End of Moore’s Law 100 Years Life Expectancy
Environment: Global warming, resources depletion	Collapse of the Gulf Stream Cold Fusion Energy

Some Extreme EU Futures

Three wild card scenarios:

- Brusselisation
- Fraglargement
- Rejuvenation

All rather improbable!



WC1: Brusselisation

Present challenges lead to counter-reactions: new and powerful EU institutions

Possible trigger:

- US resigns as World Police

Key elements:

- Very strong European central power
- Development of an European identity

Impacts:

- De-nationalisation
- EU as global player

Perhaps combined with:

- French administrative model
- Development of an Inter-European Pidgin language („Parlons Eurish“)



WC2: Fraglargement

Enlargement leads to fragmentation

Possible trigger:

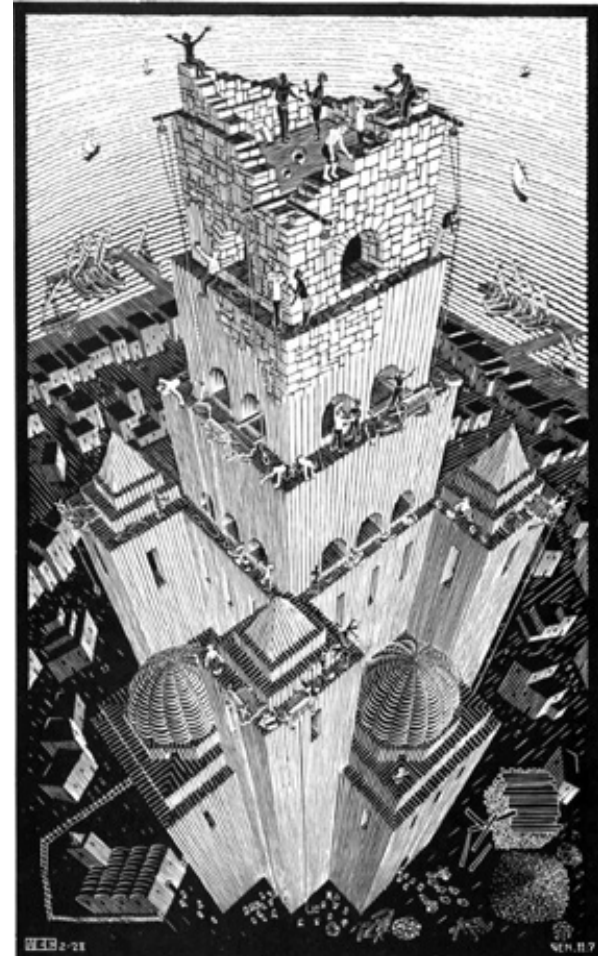
- Economic crisis with countries leaving the Euro zone

Key elements:

- Reform of European institutions unsuccessful
- Shrinking EU budget
- Cohesion costs too high
- Loss of territorial cohesion
- Strong regions against weak regions

Impacts:

- EU no player at global level
- Prospect: „Balkanization“



WC3: Rejuvenation

„Rejuvenation of the old continent“

Possible trigger:

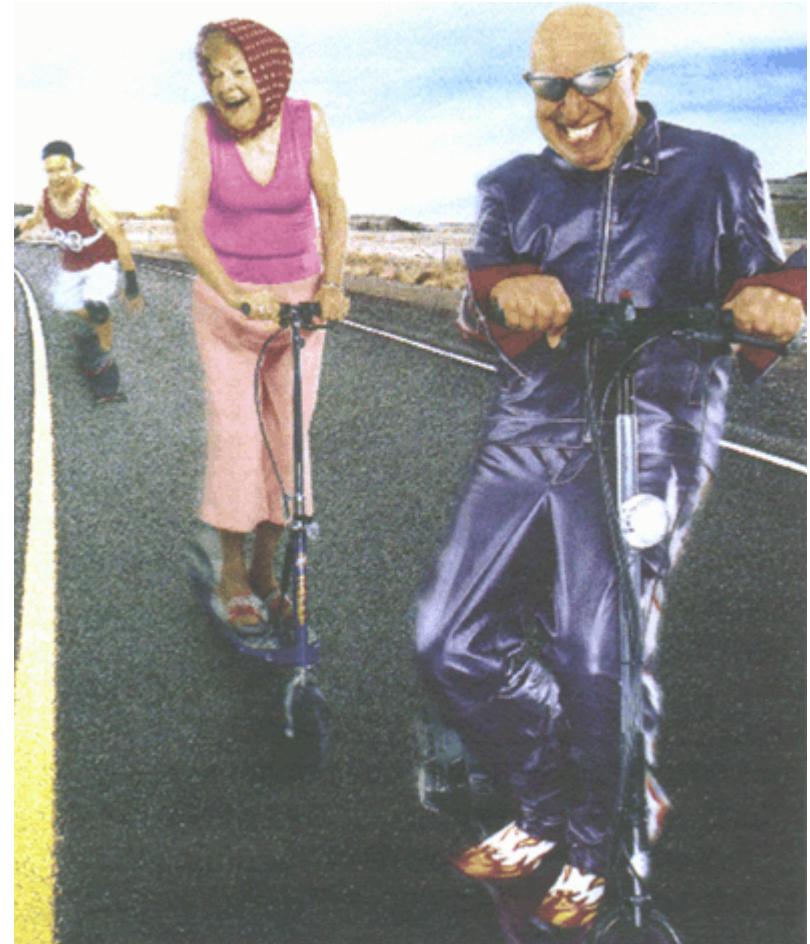
- Successful societal and political answers to ageing

Key elements:

- Cultural diversity and older citizens as driving forces
- Immigration and successful integration
- Flourishing social and technological innovations

Impacts:

- New baby boom
- Regained demographic and economic momentum
- EU as “model for the world”



Conclusion

Wild cards:

- Low individual probability
- Large number – increasing with time

Even for $p_i \ll 1$ holds for sufficiently large n ($n \rightarrow \infty$):

$$\prod_i^n (1 - p_i) \rightarrow 0$$

The probability of realization of the standard scenario approaches zero.

In the long run, wild cards will shape the future.

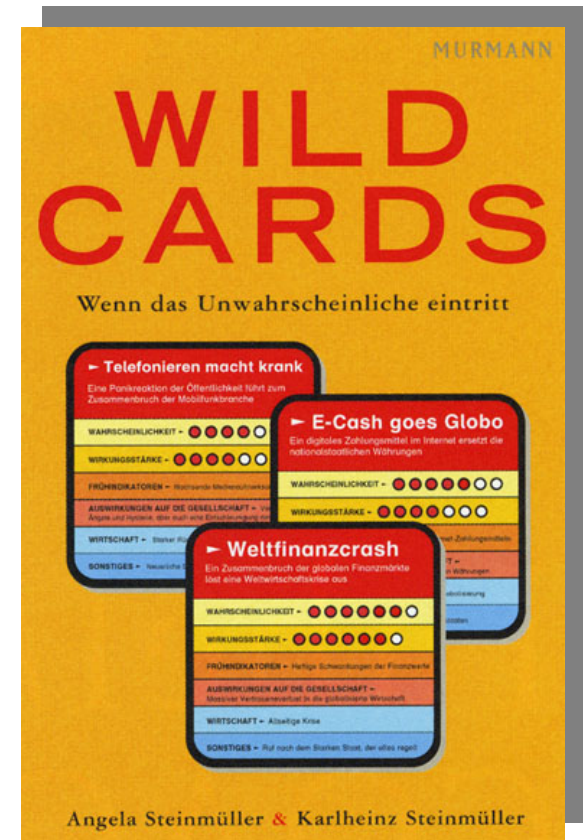
Conclusion

Mark Twain:

“Forecasting is very difficult, especially about the future.”

Steinmueller’s Rule:

“The easier forecasting is, the lower is the intellectual and practical benefit of it.”



Action, Not Prediction Matters!

Thank you for your attention!

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