



Future Challenges for European Society

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Executive Summary

1. Europe will have to face two major challenges in the coming decades:
 - To make its energy supply secure and largely CO₂-free.
 - To maintain a high level of competitiveness at the global level.
2. In view of ensuring its long-term energy supply Europe will have to pursue a dual-track strategy based on enhancing energy efficiency and promoting the use of alternative energies, above all wind, solar and biomass.
3. The potential for energy efficiency remains substantial, in particular in buildings and the transport sector. Increasingly stricter efficiency standards will induce users to undertake the necessary investments, e.g. refitting buildings, mass transit systems for European metropolitan areas, storage of renewable power, long-distance European grid.
4. The development of wind and solar energy will require continued subsidies and government regulations (taxes, CO₂ caps, standards). The EU disposes of the necessary framework, which will work as a powerful catalyst for change. By 2020, at least 20 percent of EU energy needs will come from renewable sources. In addition, nuclear electricity will temporarily remain crucial for reducing CO₂ emissions. It should be possible to generate as much as two thirds of the European electricity from CO₂-free sources. By 2020 carbon capture and storage should also have reached technical maturity as an alternative to wind, solar and nuclear. By 2020 2 million electric cars might run on European roads. This may entail serious transformations for accessories and automobile components sectors.
5. The consulting business should find the transformations in the energy sector as a promising and multi-faceted field of business. They should get more deeply involved, as this trend will be structural and global.
6. To reach zero-CO₂ emission levels, Europe will also have to enhance its overall “material productivity”, reduce the raw material input in anything being manufactured, through an even more effective policy of recycling.
7. The fight for global technological competitiveness will determine the 21st century. Europe (and the USA) has lost the monopoly of technological supremacy. It will have to share it with China and other emerging countries. It will have to focus more than ever the creativeness and innovation of European society, business, universities, administrations, schools. To that end it will have to invest at least 3 percent of GDP in private and public research and development and 5 percent in education.
8. Consulting companies have a crucial role to play as the transmitters of know-how and the stimulators of productivity. But they too have to adapt to the new rules of the game. They will have to operate much more than today outside national borders, engage in multinational partnerships and specialise in areas of competence, e.g. new energy technologies, digital economy, energy efficient buildings, cities, bio-energy.