Choosing Europe's future: The 2024 ESPAS report

Strategic foresight is about actively building the future we want, rather than letting trends make choices for us. It is also about building awareness of the changing context, rather than about predicting events. These are the perspectives that inform the fourth report of the interinstitutional ESPAS network, published on 15 April 2024. The 'Choosing Europe's future' report looks ahead towards 2040 to identify strategic challenges facing the EU in the near term. The report is the product of a collaborative exercise across nine EU institutions and bodies.

Globally, interconnected trends point towards fragmentation

The main part of the report analyses trends across 10 policy areas up to 2040. Two themes stand out: fragmentation is one; interconnections across sectors the other. Division and discord is becoming more prominent in international relations, in the global economy, and even as regards the diffusion of technology. The environment is also fragmented, with greater disparities between liveable and marginal areas, and greater threats to vulnerable populations. At the same time, internal divisions increase the risk of polarised societies. These multiple fragmentations create challenges on several fronts.

Intricate interconnections between trends can create both negative and positive dynamics. More geopolitical conflict can harm economic prosperity, which can mean fewer resources for climate transition, and thus lower investment in green technology. On the other hand, technological breakthroughs on energy and materials can propel a faster green transition, which can restore economic prosperity; this could ease geopolitical tensions, and in turn add impetus to international collaboration on new technology.

The report cites several striking research findings. Europe is warming faster than any other continent, and this will impact different generations differently (see Figure 1). By 2040, the EU will have 17 million fewer people of working age than in 2023. Closing the women’s health gap could benefit the world economy by up to US$1 trillion by 2040.

Figure 1: How current and future generations will experience global warming

Strategic challenges and choices for the EU

The report's concluding chapter turns to strategic challenges for the EU. Rather than making recommendations, the report identifies strategic questions and choices across several domains.

In global affairs, the EU needs to consider ways to be able to act with partners where possible, and autonomously where necessary. The report does not talk of hard or soft power, but of smart power: the ability to navigate in an uncertain geopolitical landscape.

On the climate and environment emergency, the report asks how the EU can ensure that the green transition can be both effective and achieved in a socially and economically equitable way.

The need for greater autonomy entails economic challenges, not least to the competitiveness of EU industry. De-risking approaches can involve economic frictions; how can these be best managed? Does the EU's current economic model need adjustment in order to ensure long-term sustainability and wellbeing? Technological progress will play a crucial role in the EU's ability to solve challenges and deliver prosperity. How can the EU incentivise innovation, diffuse its economic benefits, and safeguard against potential harms?

On the social front, social fragmentation can undermine support for necessary transitions. How can the EU strengthen opportunities for all citizens, to work against greater inequality and to counteract anti-democratic tendencies?

Using foresight for anticipatory governance

From its beginnings in the wake of the 2008 global financial crisis, the ESPAS initiative has sought to encourage a common understanding of global challenges across the EU institutions. This was not an end in itself, but a means to encouraging joint and effective action on these challenges. The 2024 ESPAS report results from an exercise in thinking together that involved nine EU institutions and bodies; this is a first step towards acting together.

The report draws attention to both threats and opportunities. Trends and disruptions are coming hard and fast. Negative trends, left unattended, evolve into crises. Game-changing developments can happen suddenly. These are good reasons to be able to act quickly, and to avoid putting off difficult decisions. The risk of false economies remains. In areas such as defence and security, for example, avoiding costs now may mean far greater costs in the future.

On the positive side, decision-makers can exploit the fact that trends act on each other. A focus on threat multipliers, such as social fragmentation, can prevent knock-on effects in other domains. Action on gain multipliers, such as environmentally friendly technologies, can give dividends across the board. The intricate interconnections between trends also mean that responses need to be more integrated. Strategic cohesion across policy areas, coupled with coordination across levels of governance, enhances the EU's ability to shape events. Strategies and policies that contradict each other do the reverse.

The ESPAS report also emphasises that the EU has agency. It has the weight to exercise a positive influence, for instance on climate and on technology. The report concludes on a hopeful note, invoking the possibility of turning challenges into new opportunities to maintain and spread prosperity in Europe and beyond.

References

ESPAS, Global trends to 2040: Choosing Europe's future, ESPAS, 2024.
