



A Guide to Choosing Europe's Future



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We live in troubling times. War at the very border of the European Union, escalating conflicts with global consequences, the aftershocks of a pandemic, and the increase in extreme weather events all have dramatic and intertwined consequences. Combined with unprecedented technological innovation, they create a complex landscape for governments to navigate – and for each one of us, really.

What does this all mean for the future of the EU, as it approaches the 2024 European elections? That is what the European Strategy and Policy Analysis System (ESPAS) set out to discover. ESPAS is an inter-institutional initiative between nine EU institutions and bodies dedicated to strategic foresight. We seek to identify key global trends and examine them through an EU lens. We look at their significance for Europe and try to assess the agency that the EU has to influence the course of events.

The dangers of polarisation

We found that many of these areas are facing growing polarisation and fragmentation, with harmful consequences. For example, the politicisation of civic space is undermining democracy in many parts of the world, including in Europe. Negative trends in other areas can also influence the situation, fostering political extremism: global fragmentation, climate crisis, low growth and high inflation, declining standards of living, fears of technology, concerns about immigration, rising inequalities, disinformation... Populism feeds on the fears these trends can generate, and sadly the backsliding we have seen in democracy seems likely to continue.

Finding opportunities within challenges

The backdrop may be worrisome, but there are reasons to be optimistic. Technology and climate action, in particular, offer us promising new possibilities. For example, the increasing share of renewables in the energy mix is fostering the development of new industries and creating jobs.

As solar photovoltaics, wind turbines, and hydropower are heavily affected by weather conditions and seasonality, their energy production is not as steady as that of fossil fuels. This is giving an unprecedented impulse to the development of energy storage technologies, which can help mitigate the issue. We expect that this industry will continue to grow in importance and size.

A guide to navigating an uncertain future

While ESPAS cannot predict the future, we can sketch out some of the main strategic choices facing the EU in the not-so-distant future. We condensed these insights into the Global Trends Report, titled *Choosing Europe's Future*. It is designed to help the political leadership that will emerge from the upcoming European elections to navigate the challenges and opportunities that lie ahead.

Here are some key takeaways from the report:

- Trends act on each other. Because of this, it is important to focus especially on multipliers. Some are threat multipliers, as they increase the severity of negative effects. Social fragmentation is a good example. It can contribute to political polarisation, which in turn weakens democracy, and can increase distrust and resistance to change. There are also gain multipliers, like the energy storage technologies we just looked at: necessary for the success of the green transition, they are also excellent for the economy and the job market. Acting on these multipliers will likely impact multiple trends.
- There is a real risk of false economies. In several areas, avoiding costs now may lead to far greater costs in the future, or even allow a negative trend to evolve into a crisis. Defence is a clear example. Building capabilities now may act as a deterrent to aggression, reducing the risk of a war and sparing us from its incalculable human and economic costs. The same is true of climate change. Mitigation and adaptation measures may be expensive, but they are infinitely less costly than losing crops to drought or having entire regions devastated by floods. We cannot afford climate extremes to become the norm.
- Coordination across different levels of governance enhance our ability to act. We saw this happen in response to the Covid-19 pandemic. While competence for health primarily rests with Member States, the pandemic showed that strong supporting actions at EU level can play an important role, for example in the mobilisation of resources for distressed regions and the joint procurement of vaccines and critical medicines. The pandemic has also prompted the creation of new structures for cooperation across EU and Member State health bodies to assure a rapid and coordinated response to health emergencies.

The next European Parliament and the next Commission will be confronted with big issues. They will face stark choices with major impacts. The trends we analyse in this ESPAS report highlight the tensions and trade-offs facing policy makers, as well as the opportunities. Despite the scale of the challenges that lie ahead, the EU has the means and the capacity to act. The decisions made by the upcoming EU leadership will have a strong bearing on the kind of Europe we will live in by 2040. We hope our report will provide them with useful food for thought. As Miguel de Cervantes put it: 'Forewarned, forearmed; to be prepared is half the victory'.

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