EU Foresight Report 2025 – Imagine 2040

EU Policy Context in 2040

By 2040, humanity has formed into several separate and largely parallel, geo-economic clusters, each operating within its own political values and social structure. Each system has evolved data infrastructure and a digital ecosystem specific to their needs.

The duality of the rivalry between China and the United States has resulted in a complete realignment of the global trading system. EU foreign and trade policy has adjusted and realigned to secure the EU´s economic and physical security. The EU has substantially strengthened its trade defence and sanctions toolbox to protect and make more resilient EU strategic industries and their value chains. Its own economic resource base is more resilient through diversification of resource supply, increasing indigenous resource exploitation (minerals and metals as well as bio-based resources) and deeper circularity of materials in stock and in products.

In response to the geopolitical situation generally and to continued Russian interference along its eastern frontier, the EU has strengthened its physical and cyber security systems as well as governance. There is now a strong EU defence policy along with supporting measures including close cooperation with NATO.

Increased digitisation of economies and the deployment of AI to manage complexity at all levels and sectors of the EU economy sees a greater focus on data protection and data privacy. The EU has put in place a robust cyber security apparatus to address the constant threat from cyber warfare and protect the vast amounts of personal and industrial data on which its economy relies.

China's strength as a global "resource lord" has been mitigated to some extent thanks to EU policies to diversify its resources and greatly increase its own domestic supplies through extraction and the institution of circular production systems. However, China continues to compete aggressively across the globe. Its financial influence in developing access to raw materials and essential minerals in countries around the world has further strengthened this with many less developed countries drawn into its economic orbit, reducing a large number of them to client states.

The United States has significantly reduced its exposure to dependence on China for all critical raw materials needed for military purposes and has in place agreements with Greenland, Canada and a number of other third countries to ensure supplies of critical raw materials for its key economic sectors.

Despite significant efforts and vast expenditure, global warming has passed the Paris Agreement 1.5-degree objective and is close to breaching the absolute average warming temperature of 2 degrees centigrade. Each global system and economic cluster are now targeting adaptation measures in an effort to protect its populations and economic systems. Fossil fuels continue to account for significant share of final energy demand.

The EU energy transition, supporting its climate goals, has achieved greater integration of physical networks and markets enabling greater flexibility and management of its large renewable and low fossil-fuel energy sources and capacity. The EU has also deployed extensive carbon removal systems to augment mitigation policies. Modular nuclear reactors (e.g. molten-salt) are increasingly deployed aiding greater use of renewable energy.

Pressures on the biosphere in terms of biodiversity and water (quantity and quality) have accelerated with further declines in non-human species in line with IPBES[1] predictions. Global collaborative efforts to protect important biodiversity resources are locked in continued debates over financing. Due to climate change, population growth and land use changes, water quality and quantity requires significant financial resources to maintain human and agricultural systems.

Global population growth has stabilised but in Africa a range of cultural, political and environmental factors contribute to continued population growth. Changing climatic conditions and continued regional instability create continued migratory pressures in Africa, the Middle East and parts of central Asia with much of the migration towards Europe.

Global food security therefore continues to be unstable with countries in Africa particularly vulnerable to shortages related to droughts, resource wars and lack of access to modern farming practices and technology. As a consequence of these trends, food security has reemerged strongly as a pillar of EU and like-minded regions´ political goals. Efforts have been made to make agricultural and food production systems more adaptive with regard to climate change impacts and more aligned with biodiversity and water conservation.

The attempts to dramatically shift diets to more sustainable ones including scaling up of food innovation (cellular agriculture) have largely failed due to stringent and conservative regulatory environments and cultural adverse attitudes to “synthetic foods.” However, animal welfare has been increased thanks to innovation and digitalization in animal husbandry. A larger portion of plant based protein in food products has become a standard part of the European diet, especially among younger populations.

The health and wellbeing of humanity is impacted in a multi-track world. While major pandemics such as COVID-19 do not occur, regional or localised epidemics occur frequently. Access to medicines, medical skills and technology is not universal and requires a degree of global cooperation even between competing regions. Obesity has become a more general health issue despite attempts to improve overall diet quality of populations or deploy drugs to deal with chronic cases. The importance of maintaining and protecting highly biodiverse ecosystems as a future source of pharmaceuticals becomes paramount and is part of a global discussion on equitable access and use of such resources.

Global debt continues to weigh on all economies. The COVID-19 pandemic and the ramping up of recovery programmes in its aftermath has added greatly to the global and EU debt burden. A number of debt crises occur, mainly in the least developed countries. But broader global financial meltdown is prevented thanks to collective intervention by major economies including debt relief for poorer developing countries.

[1] Global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. (IPBES, 2019)