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ESPAS Foresight Papers

Inter-generational fairness: What future for a renewed European social contract?

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and Social Committee

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of the Regions

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Bank

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'If future generations are to remember us more with gratitude than sorrow, we must achieve more than just the miracles of technology. We must also leave them a glimpse of the world as it was created, not just as it looked when we got through with it.'

Lyndon B. Johnson

SUMMARY

The world is facing a new strategic era with increased competition at the global and regional levels. At the same time, it finds itself at the dawn of a new (4.0) industrial revolution which is likely to entail profound societal transformation affecting current generations as well as future (unborn) generations. This transformation is driven by several megatrends, including demographic disparities, technological change, resource scarcity, growing inequalities, and climate change: leading to vulnerabilities and challenges, but also to opportunities for countries and regional organisations world-wide. The EU and its Member States are no exception. Success or failure in being a stable and prosperous global pole by 2040 will depend on the Union's ability to address simultaneously the challenge posed by competition between global powers and the transformation of European society. The latter may entail a renewed inter-generational European social contract, which reaffirms the bond between the current generations as well as their commitment not to harm future generations.

Introduction

Global trends, in particular **demographic and equality trends**, along with the inter-generational balance were central to the development of ESPAS thinking from the time of the first Global Trends Report (GTR) in 2012. More recently, the 2024 GTR outlined growing societal inequalities as well as the poverty being experienced by sections of the population, with most Europeans viewing income differences to be too great, whilst only half of them perceived society as being fair. Over the years, several ESPAS Ideas Papers, including those on 'Populism' (2021) and on 'The Future of Work and Workplaces' (2018), focused on youth and/or on the added value of different generations working together and learning from each other's strengths.

The well-being, prosperity and solidarity of present and future generations is at the core of the European Union's values and commitments. We are witnessing a time where these values are being challenged from within and from outside the Union by big power competition and profound societal transformation, especially driven by

technological change, with, as a result, the erosion of the social contract set in place in Europe after the Second World War; a social contract that delivered minimum welfare standards, and greater prosperity enabling the inter-generational bond to grow.

This transformation is largely due to a new (4.0) AI- and automation-driven industrial revolution, which will have lasting consequences for European society, and on the interaction between the various age groups forming the current generations (overlapping generations which are alive today),[1] as well as on the next (unborn) generations, whose interests ought to be considered and protected along with the interest of the current generations. The EU may have to address external (geopolitical) and inner (societal and economic) challenges simultaneously if it wishes to maintain its relevance and be a pole of prosperity and stability by 2040. **This may prove an existential endeavour.** The question is not 'if' the European Union should seek to act but how best it can integrate an inter-generational dimension in its policies, whilst striving for a social contract that is 'fit for purpose' and fair, allowing the EU to continue to uphold its fundamental values of freedom, democracy, equality, rule of law and respect for human rights.

This paper defines inter-generational fairness (IGF) as the ability to act in a fair manner and to address the challenges of current generations including distinctive age groups (youth, adults, and elderly people), as well as of future (unborn) generations. According to one of the experts interviewed for this paper, IGF is a 'concept that will help us care about the future';[2] it will encourage us to act today and reap benefits tomorrow. It is equally a long-standing commitment enshrined in primary EU law (Article 3 of the Treaty on European Union).

> European news 2040
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> 'Europe reaps the benefits of the 2025 IGF reforms. First IGF strategy brings prosperity, report reveals'

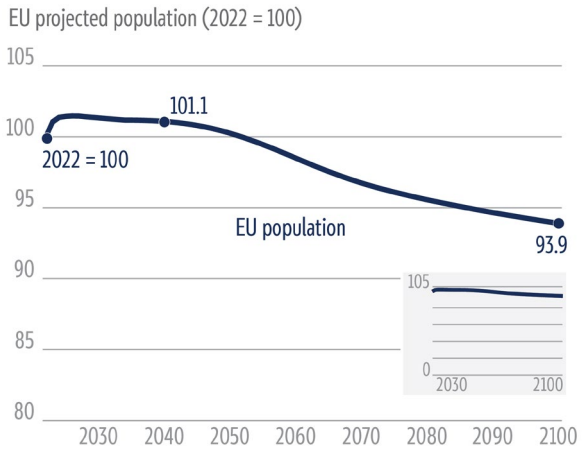
The paper draws on a mix of participatory foresight, desk research and expert interviews.[3] It explores the link between the present (young, adult and elderly) and future (unborn) generations as well as inter-generational dynamics, combined with an analysis of the **megatrends** and how they relate to IGF, shedding light on problems current and future generations may face by 2040. It analyses the foundations of the current European social contract, the developments which may threaten its long-term viability, and the elements which may lead to a renewed inter-generational European social contract. It also explores the horizontal, cross-policy nature of IGF, seeking to move the debate further along, and offering an ESPAS contribution to the

Commission's own ongoing visioning efforts, which are expected to lead to the EU's first-ever inter-generational fairness strategy, due to be announced in the spring of 2026.[4] It also brings to the fore, under the title 'European news 2040', a number of press headlines imagined by the participants of a bespoke foresight workshop.

Megatrends impact on current and future generations

Megatrends are developments with the potential to lead to long-term transformations. The European Commission has identified and monitors 14 megatrends, key for the EU's future, some with an inter-generational component like, for instance, demographic disparities, social inequalities, technological change, global access to resources, climate change, and the changing security paradigm.

Figure 1 – Projected EU population by 2100



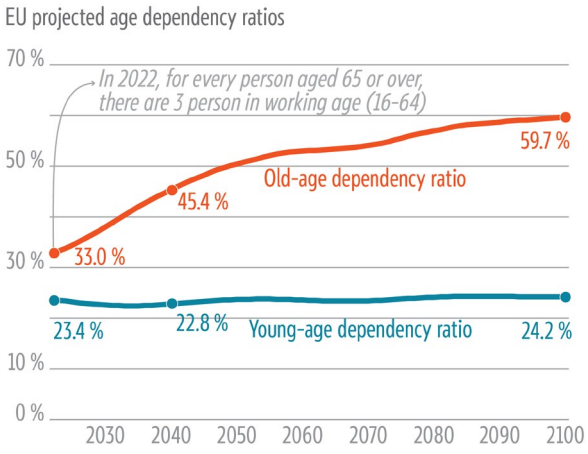
Source: EPRS, based on European Commission and Eurostat data.

Demographics are shrinking in the EU, a trend expected to continue to 2100 (see Figure 1). This is mainly due to an ageing population (see Figure 2) and low fertility rates, representing a long-term 'vulnerability', which, unless addressed, could hamper the Union's prosperity, social contract, and global role. Projections to 2040 show a scattered landscape. For as much as the young-age dependency ratio is expected to remain rather stable, the old-age dependency ratio is expected to increase as a result of demographic shifts. This would result in the shrinking of the workforce, with the ratio moving from one elderly for three working age people in 2022 to two elderly for three working age people by 2100 (see Figure 2), impacting both the existing social contract and democracy, in particular electoral behaviour.[5] In addition, the urban population of the EU is expected to increase because of migration not natural change, whilst the population in rural areas is expected to continue to decline.

The EU is likely to face **growing rural/urban disparities, an ageing population and a shrinking workforce**. People will continue to move from rural to urban areas in search of better opportunities, jobs, health facilities and education. This phenomenon, known as **continuing urbanisation**, may have significant consequences for the environment. Evidence shows that cities account for 54 % of the world population, represent 2 % of the land, produce 70 % of global waste, and are responsible for 70 %

of greenhouse gas emissions.[6] Projections highlight that, by 2050, 68 % of the world population will live in urban areas.[7] One of the areas most impacted by continued urbanisation is housing. The affordability of home ownership is a key element in preventing poverty, insecurity and in countering inequality. Another area in which effects may also be particularly concerning is public health. For instance, rural communities may have increasingly limited access to medical services due to the lack of medical personnel, as well as to poor and ageing medical infrastructure. Food security may also be endangered by the lack of a workforce in the agricultural sector; this might, however, be compensated for by digitalisation and the use of AI.

Figure 2 – Age dependency ratio in the EU



Source: EPRS, based on European Commission and Eurostat data.

The other megatrend impacting current and future generations is **rising social inequality**. Although social inequality between countries has reduced worldwide since the 1990s, evidence shows that **social inequality within countries has grown**.[8] This trend is likely to continue, and EU Member States are no exception here. Projections show health and wealth disparities will grow and the cost of living will rise because of demographic shifts, eroding the welfare state. Furthermore, even though EU countries are among the most enjoyable to live in and regional disparities have been narrowing in recent decades, especially in Central and Eastern Europe,[9] 81 % of EU citizens believe that 'income inequality is too high',[10] whilst only 47 % consider that they have 'equal opportunities' in life. At the same time, 78 % consider that the government should spend more on key social policies, including health, long-term care, education, pensions, housing, income support, family policies, and unemployment support.

The world is at the dawn of a new (4.0) industrial revolution driven by increased digitalisation, automation and rapidly growing artificial intelligence (AI) capabilities. It is of concern, therefore, that the **'digital divide' is estimated to be the 'fastest growing inequality'**, impacting various age groups differently. The digital divide is expected to reshape the job market, with new roles likely to see the light of day.[11] As in previous industrial revolutions, which saw new roles emerging and others being transformed or even discontinued, there is a degree of expectation that job losses will be compensated for by the creation of new

jobs, stimulating economic growth.[12] Whilst this may hold true in the longer term, in the short to medium term the transition may prove difficult for many in the workforce, including seniors, whose resilience and adaptability will be heavily tested. Yet, this new industrial revolution might shake and transform European society in an unprecedented way, causing us to reflect on the place and role we wish to allow AI to play in our society, and in any future inter-generational social contract. For example, in September 2025, Albania, an EU candidate country, appointed an AI system to a cabinet-level position (the world's first). The 'Minister of State for Artificial Intelligence', called 'Diella' (Albanian for 'sun'), has been put in charge of public procurement.[13] Meanwhile, the University of Applied Arts in Vienna has enrolled an AI student to study alongside human colleagues[14]. Such developments are a wake-up call for society as a whole to discuss the future of AI in our societies.

Resource scarcity is another megatrend with an impact on inter-generational fairness, with 75 % of the land and 66 % of the seas already 'severely altered by humans.'[15] Access to food, water, electricity and critical raw materials is estimated to continue to grow in the years and decades ahead. For example, the demand for critical raw materials, in particular rare earth metals and lithium, is expected to increase by seven and 21 times respectively by 2050.[16] In this context, the EU has brought forward the Critical Raw Materials Act[17] with the aim of diversifying supply, reducing dependencies, and mitigating disruption risks, setting minimal benchmarks to be met by 2030.

> European news 2040
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> 'Robots using public transport pay the monthly fee'

The 'earth's limited resources can no longer meet the growing demand'.[18] **Humanity is currently overconsuming, hence endangering its future.** Participants in the foresight workshop organised in preparation of this paper stressed that different age groups hold different views and understandings of human consumption patterns. They suggested that younger people would like to see changes in the consumption patterns of the elderly and stressed that there is low awareness across age groups that consumption patterns make everyone responsible for triggering climate change.

Climate and environmental change remain emergencies. It is estimated that, by 2030, we will most probably live in a world 1.5 degrees warmer that in pre-industrial times. We will face hotter summers, with growing risks of droughts and a multiplication of wildfires in Europe. This would have consequences, for instance, on crops, endangering our food security. No age group is likely to be exempt, with elderly people suffering most from the increase in

temperatures. The EU has committed itself to reaching carbon neutrality by 2050. This would require a deep transformation of the way we live, including a reduction in consumption and emissions.

European news 2040

'Bees win in court'

Finally, there is a **changing security paradigm.** Great powers have moved away from multilateralism, favouring bilateral relations instead. This is not an ideal situation for the EU, which has **multilateralism in its DNA**. The decline in multilateralism brings geopolitics and the risk of conflict to the fore. The world is experiencing the highest number of conflicts globally since the Second World War, some having the potential to spill over into major conflicts.[19] This reality impacts diverse age groups, leading to diverging interests and perspectives on how the EU should react to these circumstances. The growing risk of war may directly impact younger generations, who could, for example, and for the first time in decades, face the possibility of conscription.

Inter-generational fairness in the EU: State of play

In her 2024 political guidelines, the President of the European Commission, Ursula von der Leyen, outlined that the Union should 'ensure that **decisions taken today do no harm to future generations** and that there is increased solidarity and engagement between people of different ages'.[20] She appointed Glenn Micallef as European Commissioner responsible for Intergenerational fairness, youth, culture and sport and tasked him with preparing a strategy on intergenerational fairness; one that is mindful of the importance of increased solidarity between people, irrespective of their age.[21] The mandate outlines that future generations should not be harmed by decisions taken today and that the interests of current and future generations should be taken into consideration across the policy and legislative cycles; effectively, a call to mainstream IGF across policies and legislation.

Based on the mandate received and with support from relevant European Commission services, Commissioner Micallef is currently leading the development of an **EU strategy on inter-generational fairness,** expected in the first quarter of 2026. The objective is to embed a long-term perspective into EU policymaking and ensure that current and future generations have their interests protected by EU policies and legislation. A 'five steps' approach – 'scoping', 'vision building', 'strategy ideas', 'designing the strategy' and 'adoption' – has been outlined.[22] At the time of writing, the process is rapidly reaching phase three – 'strategy ideas.' The scoping phase was led by the European Commission's Joint

Research Centre. It included engagement with stakeholders across Members States, conducting a 'mapping exercise' and using foresight techniques to address the long term. The results and input for the visioning phase were presented in a scoping report in August 2025,[23] which stressed the contribution IGF could make to achieving a more resilient EU where different age groups come together, mindful of their hopes and aspirations as well as their responsibility for the well-being of current and future generations. More recently, the European Commission's latest Strategic Foresight Report (2025) stressed the importance of developing an EU-wide 'framework on intergenerational fairness', which fosters more solidarity between different age groups and takes into account the next generations.[24] The report suggests that the IGF strategy should '**make European policies fit for current and future generations**, by rethinking and adjusting our decision-making to ensure that it is underpinned by values and goals to allow Europeans to thrive in the long-term'.[25]

The European Parliament has referred to IGF in some of its recent resolutions. This is the case, for example, with the resolution on the European Semester of 2024, where Parliament called for economic policy coordination and IGF.[26] Parliament also welcomed the introduction of **strategic foresight as a new tool** in the better regulation guidelines and toolbox,[27] considering future-proof policies to best capture the needs of current and future generations.

The European Economic and Social Committee (EESC) adopted its Opinion on 'The EU Youth Test' in September 2022.[28] This initiative aims to **strengthen youth participation in EU policymaking**, to youth-proof policies and create the space for an inter-generational debate. An EESC Youth Group was established in 2023 to 'better integrate the voice of young Europeans' in the work of the EESC.[29] A year later, in 2024, the Youth Group presented a specific methodology to implement the Youth Test, which was adopted by the EESC. Youth representatives are invited to participate in study group meetings and to provide written contributions. These consultations help 'build trust between young people and policy-making.'[30] They also help ensure that the views of young people are considered throughout the EESC's opinion-making cycle. So far, over 40 EESC opinions have benefited from young people's input, and a network of 73 youth organisations has been created.

In July 2025, the European Committee of the Regions adopted its opinion on inter-generational fairness, stressing the '**importance of local and regional authorities** in shaping inclusive, sustainable and prosperous communities through future-oriented policies'. It called on the European Union 'to future-proof all EU policies' and for the EU institutions to agree on an 'Interinstitutional Declaration', 'as a

strong outcome of the Commission's [forthcoming] strategy on inter-generational fairness'.[31]

The EU's commitment to inter-generational fairness translates into its diplomatic work. Between 2022 and 2024, the Council of the European Union included in various of its conclusions the idea of setting priorities and agreeing on IGF commitments that the EU could promote within the United Nations (UN) framework. These priorities included the use of foresight in policymaking, the strengthening of foresight capacity, the protection of the interests of future generations, the implementation of the UN sustainable development goals, and the need to strengthen resilience against future shocks and to support education and youth. All these commitments feature prominently in the 'Pact for the Future' and the 'Declaration on Future Generations' that UN members adopted at the UN 'Summit of the Future' in 2024.[32] More recently, in 2025, the EU reaffirmed its commitment to working within the multilateral framework to implement the Pact and the Declaration, stressing the importance of 'bearing in mind the needs and interests of future generations'.[33]

A renewed inter-generational European social contract

Solidarity between generations and the fostering of an inter-generational bond lay at the core of the social contract in many European societies in the aftermath of the Second World War. **A promise of well-being and prosperity**,[34] based inter alia on the principles of equal opportunity, and a fair distribution of wealth and support to those in need has been at the heart of the European social contract.

For the past 80 years, **Europe has sought to counter inequalities in society and bring prosperity** to different generations which hoped for and aspired to a better life. **Europe has a strong claim to say that it has delivered on this promise**. Today, the EU and its Member States rank among the places in the world with the best quality of life, with Central and Eastern European Member States catching up rapidly.

However, in recent years, **public debt** has reached unprecedented levels, reaching 88 % of GDP in the euro area and 81.8 % in the EU as a whole.[35] This **is a burden that the current generations are placing on the shoulders of future generations**. As outlined by the 2024 ESPAS Global Trends Report, the EU is facing growing societal inequalities, whilst sections of the population are already experiencing

poverty.[36] The report highlighted that there is a **deepening crisis in European welfare systems** – with a focus on the growing unaffordability of housing, the fragility of the pensions schemes directly impacted by demographic shifts, the relative reduction in wages, and a decline in the quality of public services. The report suggested that a new social contract leading to a fairer society might be part of the solution to these challenges, a contract mindful of the bond that links generations together. The principle that **each generation and each individual matters** is more than ever a valid contention, enabling the EU to better protect the interests of both current and future generations.

Europe is at a crossroads. To be able to continue to honour the promise of well-being and prosperity by 2040, **Europe can develop ways to adapt and act.** Moving beyond simply acknowledging the reality of the megatrends outlined earlier, and their possible impact on European society, is likely to be a necessary prerequisite to countering their impact with relevant policies.

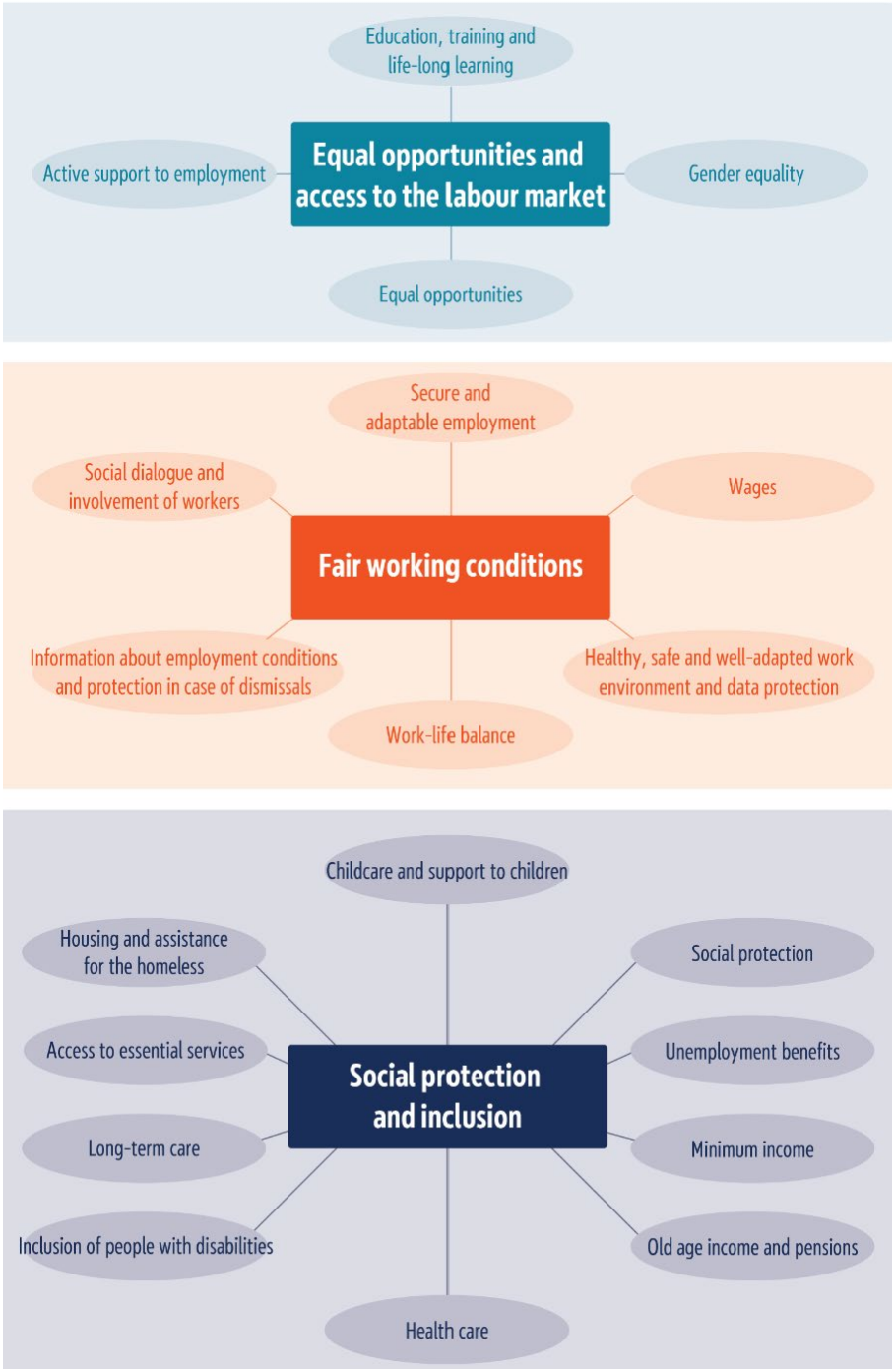
Looking ahead, one possibility for the EU and its Member States is to take a '**whole of government approach'**. This means moving beyond existing **policy 'silos'** at national and European level. It requires a recognition that IGF poses a **horizontal challenge across many areas of policy**, independent of national and/or European competence. In essence, this entails mainstreaming IGF into all policies at both national and European level. It would require closer cooperation between national government departments and agencies, linking to levels of governance by bringing together local, regional, national and European authorities, as well as working in synergy at European level, inter-institutionally and within each institution. If we single out, for instance, the societal dimension, the EU could put the 20 principles of the European Pillar of Social Rights, a political commitment bringing/binding together the Member States and the EU institutions,[37] at the core of a **renewed inter-generational European social contract** and use the 'whole of government approach' to build a more resilient and fairer society for current and future generations.

The 20 principles of the European Pillar of Social Rights are grouped by three themes, namely: 1) 'equal opportunities and access to the labour market', 2) 'fair working conditions' and 3) 'social protection and inclusion' (see Figure 3). This allows the creation of **synergies between levels** and **work on clusters of policies**. For instance, work on 'equal opportunities and access to the labour market' entails cross-level and cross-policy work, as some of the relevant policies for this theme actually belong to an area of EU competence (gender equality)

whilst others belong to areas of shared competence (employment) or simply support (education or training). Annex 1 provides an overview of EU actions undertaken thus far to meet the 20 principles.

A cross-level, coordinated approach to education, housing, mobility, and healthcare, mindful of European and national competencies, may help restore equality of opportunity for different age groups including, for instance, early access to housing for youngsters or fair access to healthcare for elderly people. By **grouping policies in clusters** around pre-identified themes it would be possible to explore interconnections, relationships and overlaps between polices. In the long term, such an approach may represent a 'win-win' for the current generations as they advance in life, and for future generations as well.

Figure 3 – The European pillar of social rights in 20 principles



Source: EPRS based on European Commission.

A recent European Parliamentary Research Service (EPRS) study explored the **untapped potential of the Lisbon Treaty**,[38] highlighting the importance of further implementing the European pillar of social rights and promoting 'fairness through funding'. For example, a budget of €142 billion was allocated to the European Social Fund Plus (ESF+) for the 2021-2027 multiannual financial framework, whilst the envelope for the period 2028-2034 remains to be determined.[39] The ESF+ is an instrument supporting inter alia employment, education, and skills. Other instruments such as the European Regional Development Fund (ERDF) or the Cohesion Funds also 'support measures that contribute to sustainable development for future generations.'[40]

Building blocks of a renewed inter-generational European social contract

Seven inter-linked building blocks may facilitate greater inter-generational fairness as part of any **renewed European social contract**. These are trust, commitment, responsibility, equality, solidarity, well-being, and foresight, which, as emphasised by Commissioner Glenn Micallef is key to building 'an immune system' for the EU in the longer-term. [41]

Trust is often described as the 'glue that binds us',[42] – an intangible commodity that fosters cooperation and social cohesion. The erosion of trust poses a threat to democracy, increases the risk of fragmentation and leads to the growth of a populist streak in our societies. Conversely, the active pursuit of trust may foster a common understanding and sense of unity and enhance the bond between individuals, various age groups and different generations.[43] The spring edition of the 2025 Eurobarometer indicated that trust in EU institutions was rising, with 52 % of Europeans supporting EU actions, whilst only 36 % of Europeans had faith in government at the national level. The level of trust in the EU reached 60 % among young people. Some observers interpreted this development as a 'generational endorsement' and a call for 'leadership, solidarity and long-term vision' from the EU.[44] A renewed inter-generational European social contract which would rely on national, regional and European levels of governance, each playing a constructive and complementary role, could bring about a sense of common endeavour.

Commitment is about political will at both European and national level. There is a need for a common **understanding of the urgency** of the challenges that Europe is facing in several policy areas, such as housing, health

and pensions, where **inequalities are growing** and where innovative thinking across Europe is required. Commitment from public bodies needs to be complemented by **responsibility**, which **implies both rights and obligations** on the executive, individuals and private entities. **Equality and a just distribution of resources** remain at the core of the social contract, being an important element in restoring trust in institutions. When new legislation is contemplated in the EU, based on its better regulation toolbox, equity checks could, for example, be undertaken so that 'those activities of the present generation do not worsen the situation of future generations.'[45]

Solidarity underpins the social contract. Whenever the societal burden falls disproportionately on the shoulders of a particular age group, the social contract is at risk of fracturing.[46] Data suggest that, in recent years, the burden has increasingly been placed on those in the workforce who are also parents, leading to a disproportionate fiscal burden on them, undermining inter-generational solidarity. Tailor-made policy initiatives, such as the increase in the number of paternal leave days at childbirth, remain positive developments. However, such initiatives alone do not have the power to reverse the broader trend of demographic decline in Europe, restore inter-generational solidarity, or counter growing inequalities in accessing resources, education and healthcare.[47]

Work on clusters of policies conducted with a view to mainstreaming inter-generational fairness across EU policies might help rebuild inter-generational solidarity.

When it comes to general **well-being**, societies may choose to prioritise health, education, equality of opportunity, or fair access to resources and redistribution. Such choices come with a price tag but could be outweighed by the benefits of promoting societal stability, security, and resilience, all key factors in countering democratic backsliding.

Finally, **foresight is a tool** that can be deployed, in conjunction with inter-generational equity assessments required by the EU better regulation toolbox, to help future-proof policies. The integration of foresight as a flexible mechanism into the EU better regulation framework could be viewed as an opportunity rather than an additional administrative burden; a pathway to more resilient EU policies and legislation.[48]

Each generation matters

Each age group has its role to play. Younger generations play a key role in society. They represent the future and may reap the benefits of 'smart' policies introduced by older generations or conversely bear the burden of their failures. Their critical thinking needs to be preserved, whilst society and governments uphold their aspirations for justice, participation and

representation. Not just for their sake, but for long-term societal stability and, importantly, to preserve democracy. Furthermore, the upbringing of younger generations has a cost for society; one that is arguably ill-considered and ill-defined in current fiscal policies[49] and which can burden parents disproportionately[50]. In turn, older people bring their experience, but also their vulnerabilities. As years go by, they gradually require more support from their loved ones and society, with 1 in 5 being at risk of poverty when they grow old.[51] People move from one group to another as they get older, and their beliefs, aspirations, needs (education, health), consumption patterns, and income evolve. When protecting the interests of present and future generations equally, the EU could take a **whole of life approach**, striving to ensure that its policies are, as much as possible, fair across the life cycle of an individual.

Current generations could be tempted to take decisions which favour themselves in the short to medium term, ignoring or minimising the need to take into consideration the longer term, and the needs and interests of the next generations. It could be argued that they can also be inclined to postpone decisions, justifying this on the basis that it is not possible to accurately understand today the needs of future generations. In this regard, some experts interviewed in the course of preparing this paper underlined, for example, that delaying decisions with regard to climate change may produce a 'boomerang effect' on future generations.[52]

Future generations are the generations yet to be born. There is a lively ongoing debate over whether those yet to be born should be included in any renewed inter-generational European social contract. It is important to bear in mind that a new generation of young Europeans will be with us by 2040, the timeframe of this paper. This brings an element of **urgency to act** across policies. The policies that the EU and its Member States will develop for the remainder of this decade will inevitably impact the next generation, in particular their start in life and their access to education.

The EU, through its inter-generational diplomacy conducted ahead of and since the 2024 United Nations Summit of the Future, recognised the responsibility of today's generations in delivering a prosperous and secure planet to the next generations. The Maastricht Principles on the human rights of future generations represent a contribution from academia and civil society to advancing the debate on the responsibility of current generations towards the next generations[53]. They may incur additional obligations for states and/or the EU if recognised as such at the level of the Member States, or at European level. For now, the Charter of Fundamental Rights of the European Union[54] specifies that the fundamental rights contained within it entail

'responsibilities and duties with regards to other persons, to the human community and to future generations'.

Strategic choices

A choice is a pathway to an unknown future which opens for an individual, for a generation or for a society. The analysis in this paper suggests that the EU and its Member States are at a crossroads, that they face a growing risk of democratic backsliding as a result of the perceived longer-term weakening of the social contract of the late twentieth century, and that a renewed inter-generational social contract might be needed, one that builds on the best of the past, is anchored in the new societal realities of modern Europe, and benefits from foresight. Setting a course today could mean that in 15 to 20 years' time the fundamental tenets of fairness in society can be restored.

Several independent and mutually reinforcing strategic choices for policymakers could be drawn from this paper. In the coming section, three such choices which could be made today to strengthen the inter-generational bond are laid out, and which could set a course for a renewed inter-generational European social contract, and to restore trust and to maintain unity in Europe by 2040. The choices are presented in the form of 'what if' questions which policymakers might consider when developing the next generation of policies to help the EU to better prepare for the future and continue to deliver on its long-standing commitment to well-being and prosperity for its citizens.

First, the EU and its Member States have, over a long period of time, sought to address the issue of demographic decline and to see how it could be reversed, through targeted sectoral polices stimulating natural change (natality), facilitating 'smart' migration (highly skilled workers), or countering 'brain drain' from Europe. These efforts have been met with limited success. The next two decades will see a new generation of Europeans emerge to take their place as the wealth creators and taxpayers of their time. Two other unborn generations will follow up to 2100, whilst projections clearly indicate a decline in the European population by the end of this century (see Figure 1 on page 3). The EU might need to factor in this reality and look for solutions elsewhere in its policies to be able to recalibrate the social contract and strive for inter-generational fairness. Boosting economic policies and re-designing fiscal policies could offer the possibility of renewal with the promise of well-being and prosperity that is at the heart of the European social contract. Going further along this path, the EU might choose to explore options to tax big tech compagnies and AI-generated work. This could alleviate fiscal pressure on the workforce, especially those who are also parents, and keep pensions systems solvent.

What if the EU is required to look beyond demographic decline to renew the European social contract?

Second, as outlined above, the EU could choose to **work on clusters of polices** with an IGF perspective in mind. A coordinated approach to, for instance, housing, education, skills, employment and health would allow multiple perspectives to be taken into consideration simultaneously. Silos between policies and institutions, between levels of governance (European, national, regional, local), and between age groups and generations could be broken down. The cluster approach would enable a 'whole of government' and a 'whole of life approach' to be developed. Member States and the EU could jointly and regularly assess risks and identify vulnerabilities to better counter dependencies (for example, raw materials) and prevent new ones from emerging. Here, strategic foresight has a role to play and could help not only to future-proof policies, but also anticipate the future needs of different age groups of the current and next generations. This would enable the EU to design policies that could, for example, anticipate and counter future risks such as food scarcity or over-consumption, both of which might leave the next generations without adequate resources and facing greater inequality. It could mean more sustainable pension and social security systems, which take into consideration demographic and fiscal realities as well as the social, normative and technological challenge of the new (4.0) industrial revolution. Choosing a cluster approach at an early stage in the policymaking process would not impinge on the respective competencies of the Member States and/or the EU. On the contrary, it would help generate synergies and foster a common understanding of what could be done to ensure coherence and consistency across EU policies. Moreover, as each policy choice would continue to be made in the relevant jurisdiction, the cluster approach would not undermine the accountability mechanisms in place at national or European level.

What if the EU and the Member States could work on clusters of policies with an inter-generational fairness perspective in mind?

Third, the new AI and automation-driven (4.0) industrial revolution now underway has the potential to deepen inequalities and disrupt human society in unprecedented ways unless managed carefully at national, European and global level. It is up to us humans to help ensure that AI benefits society as a whole, and that it allows people to strengthen rather than weaken inter-generational bonds. One of the EU's recognised strengths – domestically and

abroad – is its normative power. The EU could use this to define the role AI will play in our society and how it could contribute and support, in a constructive manner, a renewed European inter-generational social contract. If, as former US President Lyndon B. Johnson said, we are to provide the next generations with 'a glimpse of the world as it was created, not just as it looked when we got through with it', then doing nothing is not an option. Current generations owe this to the next generations who will have been born in the age of highly advanced AI, and who can expect to face the legal, societal and possibly health-related (mental disorders, loneliness) consequences of today's (lack of) decisions.

> What if AI could play a constructive role in a new European social contract?

ENDNOTES

1 The current generations – those alive today – are, from the oldest to the youngest: the Silent Generation (1928-45), the Baby Boomers (1946-64), Generation X (1965-80), Millennials (1981-96), Generation Z (1997-2012), Generation Alpha (2013-2024) and Generation Beta (2025-2039).

2 Interview with inter-generational fairness expert on 24 September 2025.

3 The inaugural meeting of the foresight process supporting this paper took place in May 2025. The Project Team, officials from the different institutions across ESPAS, met to brainstorm a set of questions which feed into the paper, to discuss definitions and methodological issues. A second meeting allowed the team to design a tailor-made foresight workshop on IGF. The workshop was organised in the first half of July and was attended by 18 officials from four institutions, the European Parliament, the European Commission, the European Committee of the Regions and the European Economic and Social Committee. The Project Team met to discuss the workshop results and how they could feed into the paper. A small number of interviews with non-Brussels-based IGF experts held in September 2025 allowed the further testing of some of the outcomes.

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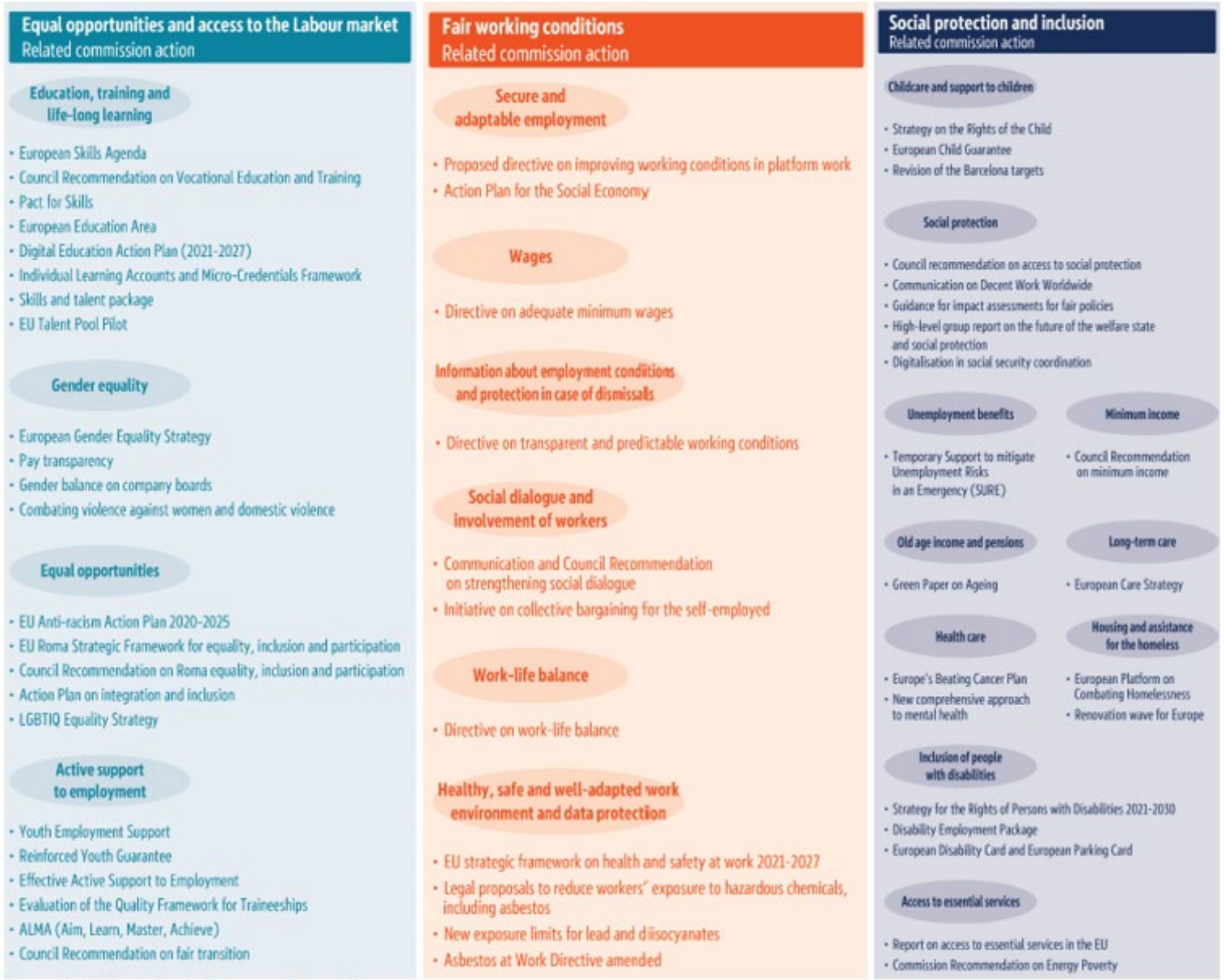
ANNEX 1: EU INITIATIVES UNDER THE EUROPEAN PILLAR OF SOCIAL RIGHTS



Source: EPRS based on the European Commission

AN INTER-INSTITUTIONAL EU PROJECT

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