

EPFMA

Bulletin



93 · December 2025

European Parliament Former Members Association

www.formermembers.eu



FMA Activities

Visit Under EU
Presidency

Page 14



Focus

Options for the Global
Monetary System

Page 35

IN THIS ISSUE

03 Message from the President

04 EP at work

CURRENT AFFAIRS

06 The MFF Legislative Train Has Left The Station
(Jan Olbrycht)

07 *The Western Parliament*
(Andrea Manzella)

08 Awakening The Sleeping Giant
(Malcolm Harbour)

09 Don't Pull The Ladder Away From Europe's Small Firms
(Ivan Štefanec)

10 When People Feel Conflicted
(Mariela Baeva)

11 Politicians Could Learn a Lot From History Books
(Margarita Starkevičiūtė)

FMA ACTIVITIES

13 News From FMA Members

14 Visit Under EU Presidency

24 EP to Campus Programme

26 Former Members' Network

28 Cooperation Jean Monnet House

30 Book Review

LATEST NEWS

31 Upcoming Activities

32 FMA at work

IN MEMORIAM

33 In Memoriam

FOCUS

36 A Global Currency?
(Jean-Pierre Audy)

38 Digital Finance and the Future of the International Monetary System
(Leonardo Melosi)

40 Options For The Global Monetary System
(Brian Hayes)

42 The Global Monetary System After Bretton Woods
(Giancarlo Corsetti)

44 Global Currency Crisis No, The Beginning Of A New Financial Era
(Stefan Berger, MEP)

Cover: © Hunaif / Adobe Stock

CALL FOR CONTRIBUTIONS

The Editorial Board would like to thank all those members who took the time to contribute to this issue of the FMA Bulletin. We would like to draw your attention to the fact that the decision to include an article lies with the FMA Editorial Board and, in principle, contributions from members who are not up-to-date with the payment of the membership fee will not be included. Due to the long time lag between the call for contribution and the publication, some articles may be outdated.

DISCLAIMERS

The FMA Bulletin is published by the European Parliament Former Members Association (FMA) with the assistance of the European Parliament. However, the views expressed in articles represent the views of contributing FMA members or guest writers and do not necessarily represent the views of either the European Parliament nor the FMA. Similarly, any advertisement does not imply an official endorsement by the FMA or Parliament. You may not reprint, reproduce, distribute, or disseminate, any of this content without the express permission of the publisher. You are also prohibited from using this content in any and all generative AI models that currently exist or may be developed.

EDITORIAL BOARD

Monica BALDI
Jean-Pierre AUDY
Edward McMILLAN-SCOTT
Teresa RIERA MADURELL
Paul RÜBIG

PREPARED BY

Elisabetta FONCK
Albertina FERREIRA MAGALHÃES
Estela ALVAREZ JORDAN
Camille HOREMANS

CONTACTS

formermembers@europarl.europa.eu
Tel.+ 32(0)2 284 07 03
Fax.+32(0)2 284 09 89



MESSAGE FROM THE PRESIDENT

Dear Members,

This final edition of 2025 invites us to reflect on a number of important developments that will shape the European Union in the coming years. The opening article offers a brief but timely reference to the launch of the legislative process for the next Multiannual Financial Framework (2028-2034). This introduction aligns seamlessly with the overarching focus of the Bulletin on the "Options for the global monetary system". As the international financial system undergoes rapid transformation driven by technological innovation, shifting economic dynamics and changes in global power structures, these discussions help us understand the broader context in which Europe's long-term budgetary planning is taking place. The articles gathered here offer a range of perspectives on these themes and illustrate the complexity of the issues at stake as the EU prepares for the next programming period.

As announced in the previous edition of this Bulletin, the FMA held in November 2025 a study visit to Denmark under the Danish Presidency of the Council of the European Union. This visit provided an opportunity to explore the priority areas identified by the Presidency, particularly security and compositeness, while also opening up space

for discussions on social affairs, youth well-being and climate and environmental challenges. Our meetings with national authorities, social partners, experts and civil society organisations allowed for a constructive exchange of views on how Member States and EU institutions can work together in a context marked by rapid change and increasing global challenges. This Bulletin includes contributions from participants in the visit, offering reflections on Danish approaches in areas such as labour relations, youth support initiatives, and environmental monitoring.

Alongside these central topics, this edition also highlights the continued breadth of the Association's activities throughout the year; from our collaboration with the Former Members' Network in Saint-Malo on ocean protection and maritime diplomacy, to our ongoing cooperation with the Jean Monnet House.

The EP to Campus programme also continues to flourish, providing opportunities for former Members to share their experience with students in universities across Europe and beyond, from Taiwan to Pavia. These activities remain an important contribution to strengthening civic awareness and promoting a deeper understanding of the work of the European Parliament.

Looking ahead to next year, I invite you to save the date for a special occasion: the 25th Anniversary of the Former Members Association of the European Parliament, which will take place on Tuesday, 2 June 2026. This anniversary is an important milestone for our Association, and we look forward to celebrating it together. The following day, we will hold our Annual General Assembly. Further details will be communicated in the coming months, and I hope many of you will be able to join us for this significant moment in the FMA's journey.

As we bring this year to a close, I would like to express my deep gratitude to all members who have contributed to our activities and to this Bulletin. Your engagement, expertise and dedication continue to strengthen our mission of promoting dialogue, democracy and European citizenship.

I wish you all a peaceful holiday season and a joyful end of the year, and I look forward to continuing our work together in 2026.

With my very best regards,

Dr. Klaus Hänsch
FMA President



Key facts

Parliament adopts its position on the future of EU agriculture policy

(September session - P10_TA(2025)0189)

The European Parliament adopted its position on the 2028–2034 Common Agricultural Policy, calling for a larger, standalone budget, simpler rules, and stronger support for farmers, namely by removing barriers to become a farmer. MEPs demand direct payments to active farmers, independent rural development funding, and incentives for environmental goals. They urge digitalisation, satellite-based monitoring, and better water management. To tackle ageing in farming, Parliament seeks more Common Agricultural Policy financing and tax and loan incentives for young farmers.

MEPs approve cohesion funding reform to deal with new challenges

(September session - P10_TA(2025)0188)

The European Parliament has approved a major reform of EU cohesion funding to address modern challenges. Member states and regions can now channel funds into new priorities including defence-industrial capacity, military mobility, affordable housing, water resilience, decarbonisation and strategic energy infrastructure. Dual-use investments (civil and military) are prioritised. Social funds may support defence-related skills, and regions bordering Russia/Belarus/Ukraine gain extra pre-financing. Rule-of-law conditions remain intact, and large companies' access to the funds is limited in higher GDP regions.

Parliament pushes for Gaza aid, the hostages' release and justice

(September session - P10_TA(2025)0199)

The European Parliament condemned Israel's blockade of Gaza for causing famine and urged immediate humanitarian access, aid restoration, and infrastructure repair. MEPs called for a permanent ceasefire, the unconditional release of Israeli hostages, and sanctions on Hamas. The resolution endorses the Commission President's decision to suspend EU bilateral support to Israel and partially suspend the EU-Israel trade agreement. MEPs demand full investigations into all war crimes and support EU sanctions on violent settlers and Israeli ministers. They also urged renewed EU commitment to a two-state solution and recognition of Palestine.

MEPs demand a unified EU response to Russian violations and warfare threats

(October session - P10_TA(2025)0230)

The European Parliament condemned Russia's airspace violations and hybrid attacks on EU and NATO countries, urging a unified and proportionate EU response, including the ability to shoot down airborne threats. MEPs backed initiatives like the EU drone wall and Eastern Flank Watch, calling Russia's actions state-sponsored terrorism. They demanded tougher sanctions on Russia and its allies, progress toward a European Defence Union within NATO, and stronger drone defences. The European Parliament also urged deeper cooperation with Ukraine, especially on drone and defence technologies.

EU 2040 climate target: MEPs want 90% emissions reduction

(October session - P10_TA(2025)0262)

The European Parliament backs a binding 90% emissions-reduction target for 2040 versus 1990 levels, allowing up to five percentage points of reductions from high-quality international carbon credits from 2036. MEPs support using domestic permanent carbon removals for hard-to-abate sectors and expanding cross-sector flexibility. They agree to delay ETS2 to 2028. Progress will be reviewed every two years, with the Commission able to propose adjusting the 2040 target or strengthening measures to protect competitiveness and social cohesion.

Proxy voting rights for female MEPs before and after giving birth

(November session - P10_TA(2025)0257)

The European Parliament launched a reform of the EU Electoral Act to allow temporary proxy voting for MEPs during late pregnancy and early motherhood. Under the proposal, an MEP may delegate her vote to a colleague for up to three months before the due date and six months after childbirth, ensuring women can balance health, caregiving, and parliamentary duties. The measure aims to improve gender equality and democratic participation. The proposal and its resolution were strongly approved in plenary.

Parliament calls for an ambitious gender equality strategy

(November session - P10_TA(2025)0281)

The European Parliament approved the first-ever European Defence Industry Programme (EDIP) to strengthen EU defence production, joint procurement, and industrial capacity. With a €1.5 billion budget, including €300 million for Ukraine, EDIP supports "buy European" rules, enables use of unspent RRF funds, and creates the FAST instrument to modernise supply chains. It also establishes a Ukraine Support Instrument to integrate Ukraine's defence industry with Europe. The programme aims to boost EU resilience, sovereignty, and long-term defence cooperation.

Parliament greenlights first-ever European defence industry programme

(November session - P10_TA(2025)0281)

Parliament approved the first-ever European Defence Industry Programme (EDIP) to strengthen EU defence production, joint procurement, and industrial capacity. With a €1.5 billion budget, including €300 million for Ukraine, EDIP supports "buy European" rules, enables use of unspent RRF funds, and creates the FAST instrument to modernise supply chains. It also establishes a Ukraine Support Instrument to integrate Ukraine's defence industry with Europe. The programme aims to boost EU resilience, sovereignty, and long-term defence cooperation.

MEPs adopt 2026 EU budget: focus on competitiveness, research and security

(November session - P10_TA(2025)0294)

The European Parliament adopted the 2026 EU budget, signed by President Metsola, securing €372.7 billion more for priorities such as research, infrastructure, security, climate action, neighbourhood policy and humanitarian aid. Funding increases include Horizon Europe, energy and transport networks, civil protection, military mobility, border management, LIFE, EU4Health, Erasmus+, and agriculture. Extra borrowing costs for NextGenerationEU will not reduce key programmes. The 2026 budget totals €192.8 billion in commitments and €190.1 billion in payments.

Other main dossiers discussed in the plenary sessions were:

07.10.25

The European Parliament approved a **reform making it easier to suspend visa-free travel for countries posing security or human rights risks**, adding new grounds such as hybrid threats and “golden passports.

09.10.2025

MEPs rejected two motions of censure against the European Commission by the Patriots and the Left against the European Commission, with neither reaching the required two-thirds majority, following a debate with President Ursula von der Leyen.

21.10.25

MEPs approved **modernised EU driving rules**, this includes; licences valid 15 years, two-year probation for novices, digital and physical for-mats, medical checks for older drivers, 17-year-olds supervised, and cross-border enforcement of disqualifications.

22.10.25

The European Parliament condemned repression in Belarus, rejected Lukashenka’s legitimacy, urged free elections, stronger EU support for democratic forces, sanctions on the regime, and accountability for human rights abuses.

13.11.25

The European Parliament backed lighter sustainability reporting and narrower due-diligence rules. **Only companies with over 1,750 employees and €450 million turnover would need to produce social and environmental reports**, with simplified standards and voluntary sector-specific disclosures. Smaller firms would be shielded from extra data requests by larger partners. Due-diligence **duties would apply only to very large and non-EU corporations**, without requiring transition plans. **Liability would be national, and firms could face fines**. MEPs also call for a free EU digital portal with templates and guidance.

13.11.25

The European Parliament warns of rising transnational repression, with ten regimes responsible for 80% of cases, **urging EU sanctions**, spyware export bans, and coordinated measures to protect human rights defenders across borders.

25.11.25

The European Parliament **warns of Hungary’s escalating rule-of-law crisis**, citing judicial interference, corruption, misuse of EU funds, attacks on civil society, and unlabelled AI-generated political content. MEPs demand sanctions and consequences if espionage allegations are confirmed.

25.11.25

The European Parliament **approved stricter toy safety rules**, banning endocrine disruptors, PFAS and bisphenols, requiring safety assessments and digital product passports, and strengthening enforcement and online marketplace obligations **to better protect children**.

26.11.25

The European Parliament backed moves to **simplify the EU deforestation law, granting all companies an extra year to comply and easing due-diligence duties**, especially for small operators. First-placing companies must submit statements, and a simplification review is due by April 2026.

27.11.25

The European Parliament backed **EU-wide transparency rules for third-country lobbying, requiring disclosure of services, funding and foreign links**. The measures address fragmentation, strengthen safeguards against interference, protect legitimate civic actors, and recognise positive external input.

For more information, please visit:

<http://www.europarl.europa.eu/news/en/news-room/plenary>



THE MFF LEGISLATIVE TRAIN HAS LEFT THE STATION

As we former Members of the European Parliament know, work on the EU budget is not only a financial matter, but above all a debate on the action programme, planned policies, responses to new challenges and each Member State's level of commitment to the implementation of future measures.

It is also a time to take stock of cooperation and mutual trust between all EU institutions, the Parliament, the Council and the Commission.

The upcoming conclusion of the current Multiannual Financial Framework 2021-2027 (MFF) marks the beginning of a complex legislative process.

We know from past experience that there are certain fixed elements to this process: after preliminary surveys, the Commission presents a new draft MFF, the Council of the EU begins work on the draft, and Parliament does not just wait for the moment when it is supposed to unanimously approve the Council's proposal, but rapidly engages in the legislative process using its parliamentary instruments.

This process has formally begun and 'the legislative train has left the station'. Does this mean that what we are witnessing is merely business as usual?

I am convinced that this is not the case, because all this is taking place in a different political and economic context. The ongoing war in Ukraine, the need for additional military spending, aid to Ukraine and increased spending on security in the broad sense are all having an impact on the budget debate. Changing economic conditions, a redefined relationship with the US and the need to increase the EU's competitiveness are also important

factors shaping the EU's agenda. Add to this the need to repay the loan taken out under NextGenerationEU, and it is clear that the negotiation process will be very challenging.

The Commission has proposed a completely new structure for the MFF, not only shifting the burden of expenditure from cohesion and agriculture policies to competitiveness development, but also proposing a different method for implementing individual policies.

Parliament's initial reaction (a letter sent on 30 October 2025 to the President of the Commission by four political groups, the EPP, S&D, Renew and Greens/EFA) was very resolute and largely critical of the proposal. The criticism concerned both the structure of the MFF and the threat of the renationalisation of European policies, as well as the failure to ensure an active role for regional and local authorities in the process of preparing and implementing National and Regional Partnership Plans (NRPPs). MEPs insisted on Parliament being given its rightful place in the decision-making process and on the Institutional Agreement being appropriately structured. Parliament thus reaffirmed its decision to play a very active role in the process of preparing the new MFF, having already entrusted the roles of chief negotiators to MEPs Siegfried Mureşan (EPP, RO) and Carla Tavares (S&D, PT).

Debates began within the Member States' national authorities and in organisations representing regional and local authorities, as well as in social and economic organisations.

The European Commission responded to Parliament's comments and proposed changing the organisation of the NRPPs by taking rural areas and the role of



Jan Olbrycht at the press conference on the Outcome of the MFF revision vote, February 2024. © European Union 2024 - Source : EP

regions into account in the decision-making process. Another important matter was organising the meeting of the Presidents of Parliament, the Commission and the Council, as provided for in the Treaty.

This indicates that the negotiations are already at an advanced stage, even though it is relatively early in the day.

Parliament has begun to prepare its position as set out in the Interim Report, which we can expect in the spring. Denmark, which is concluding its Presidency of the Council, intends to submit its proposals for the Negotiating Package (Nego Box) by the end of the year.

We are facing a year of hard work in all the institutions, and in Parliament a year of heated debates, which the current composition of the House all but guarantees.

We are facing a year of intensive work in all institutions, and in Parliament a year of heated debates, which the current composition of the House certainly guarantees.

Jan Olbrycht

EPP, Poland (2004-2024)

Co-rapporteur for the MFF for 2021-2027

THE WESTERN PARLIAMENT

Though we are living in times marked by tragic events and despite their own internal issues, the European Union and its Parliament embody a political reality whose existence is tantamount to a challenge to a world that is going astray.

It is said that international law is a dead letter and that might makes right. There is truth in this statement, seeing as we are living in an era where browbeating is the norm. But the much-trumpeted disappearance of international law is contradicted by the fact that, in a place you've likely heard of, freely elected representatives from 27 Member States all vote together, recognising procedures that have turned international law into constitutional law.

It is also said that 'politics' are the preserve of 'domestic' parties that are constrained by borders and national identities. Yet a mere 8 European political groups are enough to unify the 27 Member States' 2-300 parties, and it is only as part of these 'families' that the latter are able to rediscover the big issues that are still worth fighting for. Employing European parliamentary democracy is a form of stubborn realism, and is a stumbling block to the flat-earthier vision of the world which advocates resorting to unbridled force.

It is also said that the doom-sayers were right, and that the sun has set on the West. They might be right. Yet a light still flickers in the night, as Parliament continues to vote in Strasbourg and Brussels. Though fiercely contested, these votes are significant, inasmuch as they are a way of carrying the torch of values that have not been forgotten. A world in turmoil needs a beacon, a place where the right to participate

in a parliament – perhaps the West's crowning achievement – is still a reality, and where it is even watched over by a supranational court of justice.

It wouldn't be the first time that the idea of the West and everything that it stands for is submerged by a seemingly unstoppable tide, only for a hard core of resilience and resistance to emerge.

Europe's parliamentary democracy is a redoubt at a time when the gulf between the Atlantic powers is widening and absurd negationism seems to be destroying what made the United States a bastion of idealism in the first place. Europe is a small, yet visible, blot on a global picture that has taken on an autocratic hue.

Political realism has long taught us that republics cannot hope to endure if they do not renew themselves, which they must do by 'returning to their principles' This is also true of the EU, especially now that it symbolises resistance to brute force.

If the EU does not 'update' itself in a manner that upholds its principles while addressing the challenges arising from these difficult times, European parliamentary democracy might end up as an island unto itself, even if it still inspires fear as a bastion of resilience that could one day turn the tide.

Institutional renewal is, therefore, a must. As subjective as this interpretation may be, it is not superfluous to highlight that political thought traces its roots back to pre-modern Europe, to a great culture that was not constrained by national boundaries. Though times have undoubtedly changed, the continued existence of parliamentary democracy in Strasbourg and in the capitals of the 27 Member States can be more than just a relic of the past, and represent a new beginning under the old banner of the West.

Andrea Manzella
PES, Italy (1994-1999)



Andrea Manzella in the hemicycle of the European Parliament in Strasbourg, in June 1995.
© European Union

AWAKENING THE SLEEPING GIANT

Once again, the rhetoric about “completing the single market” is resonating around Brussels. The heavyweight reports by Enrico Letta and Mario Draghi have made this the centrepiece of their recommendations. The new Commission work programme and priorities have set out their responses. But more focus is needed on the top priorities that will make progress quickly.

For many members of the FMA, this is yet another “Groundhog Day”. We heard this call loud and clear when the Barroso Commission launched the Lisbon strategy for jobs and growth in 2000. This was its objective. “To make the EU the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion”. These ambitions were to be achieved by 2010. It had strong political support and the European Parliament set up a special committee to promote its delivery.

In many respects, the Lisbon strategy under achieved. However, it’s major impact was to shift a significant proportion of EU investment into research and development. There has been a lasting growth in new science and technology. But Europe’s continuing problem is its weakness in translating the results of this research into the growth of world beating companies, delivering the innovative products and services that the world needs. The world’s largest “Single Market” fails to offer outstanding opportunities for entrepreneurs to commercialise their ideas. It has not created an environment which nurtures the investment to back the growth of these companies. Remedying these weaknesses should be the “wake up call”.



From left to right: José Manuel Durão Barroso, former President of the European Commission (2004-2014) and Malcolm Harbour. © European Union 2013 - Source : EP

Digital driven solutions raise productivity and improve public services. Exploiting these technologies will drive growth and employment. While there is a lot of discussion around AI in the moment, this is just an extension of the digital transformations that are already underway. Digitally driven change is raising the share of the EU economy being taken by services. But a clear example of the neglect of single market is the failure to unlock the potential of services. The European Parliament played a key role in getting the 2006 Services Directive onto the statute books. But successive reviews have shown that the expected benefits have not been achieved. The primary cause is Member States adding more barriers to cross border service providers, with weak Commission enforcement. Remedial measures proposed in the Single Market Strategy 2025 must be accelerated.

Innovative small companies have a key role in awakening the single market. There is a welcome recognition of their role in the Commission’s 2025 Startup and

Scaleup strategy. Their growth potential is often stifled by their inability to raise capital, and by regulatory barriers. The planned measures to address these must be a priority. The strategy also identifies the greatly underutilised potential of public procurement, where the Commission is currently reviewing the 2014 directives. When it proposes reforms in 2026, it must take a bold approach to unlock the huge potential for public investment to boost innovation. This was underlined by a recent study from The Lisbon Council (appropriately named after the Lisbon strategy mentioned earlier) which noted “Alongside these efforts to invest in startups through public funding lies the €2 trillion sleeping giant of the public procurement market, 400 times bigger than public investment in venture capital”.

It’s finally time to make the spirit of Lisbon a reality.

Malcolm Harbour
EPP/ECR, United Kingdom (1999-2009/
2009-2014)

DON'T PULL THE LADDER AWAY FROM EUROPE'S SMALL FIRMS

As both a former legislator and a businessman, I know how difficult it is to strike the right balance between protecting consumers and enabling entrepreneurship. Europe has rightly put in place strong standards through the GDPR and the Digital Services Act (DSA), and these must be enforced. But it is equally important to recognise how small firms depend on lawful, consent-based tools to stay competitive in crowded markets.

Even with high-level reviews like the Draghi report on EU competitiveness – which warned of Europe's declining productivity and excessive regulatory burdens – and repeated concerns from the United States about over-regulation, the EU still hasn't got it right. The balance between protecting consumers and enabling growth remains elusive. The Digital Fairness Act (DFA) is the next test of whether Brussels can safeguard citizens while avoiding new barriers for the firms that create jobs and serve communities.

A new EPPP survey, covering 2,092 SMEs confirms what business owners already know: nearly two-thirds of firms that advertise online say they rely on targeting tools like location, age or interests to reach the right people, serving as the backbone of how small firms connect with customers today. In addition, almost half of CEE SMEs report that audience-targeted ads generate at least a quarter of their total revenue – clear evidence that this is a core driver of their business performances.

And the reason is simple: the tools work. The most common benefits cited are finding new customers (≈66%), reaching people nearby (≈43%), and boosting sales (≈34%). Looking beyond individual transactions, around 84% say online ads allow them to compete with bigger or more established rivals. That balance between small and large competitors is what a level playing field should mean in practice.

Europe already prohibits sensitive-data targeting and ads to minors under the DSA, and those rules should continue to be firmly enforced. But if new measures go so far as to make everyday, consent-based personalisation unworkable, it's the SMEs that will feel it first. The survey shows nearly half of them fear losing customers (48%) and seeing overall performance drop (46%) if targeting is restricted. These numbers translate into very practical consequences: hiring decisions, prices and product lines.

There's another side to growth: measurement. Most advertisers in the survey track what works. Take that ability away and many expect weaker campaigns and slower growth because they can't learn or adjust their spend. The logic is simple: targeting helps reach the right people, measurement shows if it worked. Within the guardrails of GDPR and the DSA, SMEs need and benefit from both.

This is also a call for competitiveness. Europe can enforce strong protections and still back its entrepreneurs. The data here are not coming from platforms; they reflect the daily reality of SMEs trying to prosper in a high-standards regime. If the rules make consent-based tools unusable, the cost will not just fall on "big tech." It will land on the businesses we rely on to hire locally, serve their communities and support local economies.

SME voices should be heard in this process, and policymakers must make sure the final proposal protects citizens while still giving Europe's smallest businesses a fair chance to compete. That balance is possible – and the evidence shows it.

Ivan Štefanec
EPP, Slovakia (2014-2024)



Intervention by Ivan Štefanec during the State of the SME Union, at the European Parliament's plenary session in September 2022. © European Union 2022 - Source : EP

WHEN PEOPLE FEEL CONFLICTED

373 people have been killed in politically motivated attacks in America since 2020.¹

37 of those deaths occurred this year.

The assassination motives range from abortion rights to radicalisation based on conspiracy theories to free speech.

Is it right for anyone to be attacked for their ideas?!

It is ever more difficult today to express oneself in line with the idea that we “accept only one tyrant in the world, and that is the still small voice within” us.

Here in Europe, political violence is on the rise too. As a form of protest. Or because of ideological differences. Or polarised politics.

Back in 2018, I was invited to be among the founding members of the Open Future group of The Economist created to discuss political priorities and values in the 21st century. There was an appetite for dialogue! However, to keep those discussions civil, we were guided by the following simple principles, as relevant as ever:

- If you disagree with something, challenge the idea and not the individual.
- Make sure the conversation is constructive and useful.
- Be open to different perspectives.

That exploration of ideas shared on the Open Future platform involved critics as well as supporters.

¹ Data has been provided by The Economist.

“ As societies, we will always have political disagreements and differing opinions; cultural clashes and variations in values and traditions. However, hatred and violence are no remedy against experiences of that kind. ”

The common denominator was: to encourage respectful debate.

What I like in politics is honesty and the correct approach to political opponents. Competency and civility. To have respect for those with different opinions. To talk about sensitive issues effectively. With good judgement and a decent temperament. And all of this is no abstraction. We need to demand better of our leaders.

Violent rhetoric is unacceptable and, as societies, we need apologies from those who make us face it.

During Topical Talk skills sessions in educational institutions across the world, students are reminded today to communicate sensitively and constructively in challenging situations. To talk to each other with an open mind. To hear from different perspectives.

In the dangerously charged political environment we are living in, we ought to take full responsibility and face consequences for using language that incites our opponents. As societies, we will always have political disagreements and differing opinions; cultural clashes and variations in values and traditions. However, hatred and violence are no remedy against experiences of that kind. We can choose to reject the politics of hatred and violence. And urge the leaders we follow to do the same. It is leadership first that must avoid talking the language of hatred and violence. All across the political spectrum. All over the world. Before it will be way too late for all of us. To a point of no return.

Mariela Baeva
ALDE, Bulgaria (2007-2009)



Mariela Baeva accompanied by students from Mendel University in Brno, Czech Republic, during an EP to Campus lecture in 2015.

POLITICIANS COULD LEARN A LOT FROM HISTORY BOOKS

The ongoing battles in Europe are being fought over territories that do not historically belong to either side of the conflict.

The lands of Kievan Rus' were inhabited by a Slavic people with their own language and culture - Ruthenians. Muscovy, the predecessor to modern Russia, also had its own language and culture.

Both Kievan Rus' and Muscovy were attacked by nomadic Tatar tribes. The Grand Dukes of Lithuania, seeing the growing threat along their borders, expanded their territory from the Baltic Sea to the Black Sea. After defeating the Tatars in battle, they annexed the weakened lands of Kievan Rus' forming the Grand Duchy of Lithuania. There were no Ukrainians or a Ukrainian state at that time. In the borderlands of Kievan Rus' (Ruthenia), there lived peasants who were granted the right to bear arms for self-defense. These were the Cossacks —or in Slavic terms, people of the "okraina" (the periphery).

The term "okrainians" was first mentioned in written sources in the mid-17th century, around the time a Cossack state was founded.

When the threat of Tatar invasions diminished, the Grand Duchy of Lithuania passed control of the Ruthenian principalities to the Kingdom of Poland. Although the Ruthenian, Russian, Ukrainian, and Belarusian languages all belong to the same Slavic language family, they are distinct from one another. The territory of Kievan Rus' was torn apart by stronger neighboring powers, and Ruthenians were pushed to the peripheries of Muscovy and the Cossack state.

Many Ruthenians resettled in the principalities of Volynia, Galicia with Lvov eventually becoming their capital. The Cossacks themselves were divided: those on the left bank of the Dnieper River joined the Russian state, while those on the right bank maintained closer ties with Poland, though they never formally became part of it.

The Cossacks tried to use their alliance with Poland to involve it in a war against Russia and the eastern Cossacks, but later they, too, signed a treaty with Russia. The Cossack military should be well known in Western Europe, as they served as a frontline force in the Russian Imperial Army.

Ukraine, as a state, was established after World War I, under the influence of the Russian Revolution. After the revolution and the subsequent civil war, many rival groups operated in the southwest of the former Russian Empire. There was no stable government, so the Bolshevik Communist Party moved to set up the Ukrainian SSR.

However, the territory of modern Ukraine does not entirely match the borders of the former Ukrainian Soviet Socialist Republic, which was the entity that signed the UN Charter. In the 1950s, the Soviet authorities added Crimea and other adjacent regions to the Ukrainian SSR.

The roots of today's conflict go back centuries. It is a struggle between Russian-supported eastern Ukrainians and the southwestern population, including Ruthenians, Cossacks, and those referred to as Ukrainians. Much like 300 years ago, Cossack factions —still fighting over rich natural resources and fertile land and attempting to drag neighboring states into the conflict. Today, EU countries bordering Ukraine know the region's history well and take a more cautious approach towards military conflict. Unfortunately, some are attempting to politicize these differences. If we are to be honest, only Ruthenians are the rightful heirs to the legacy of the Kievan Rus' state.

Margarita Starkevičiūtė
ALDE, Lithuania (2004-2009)



Monument to Volodymyr I, a ruler of Kievan Rus', in Kyiv, Ukraine.
© underwaterstas / Adobe Stock

FMA ACTIVITIES



EPFMA
PEAAD



NEWS FROM FMA MEMBERS

MARGARIDA MARQUES APPOINTED COORDINATOR OF THE RHINE-DANUBE CORRIDOR

The proper functioning of the Internal Market requires transport networks, Trans-European Networks (TEN-T), which can provide unhindered mobility of people and goods. We know that there are currently immense blockages owing to a lack of cross-border connections or even intermodal connections within the Member States.

The European transport corridors are instruments for promoting and furthering the implementation of those networks, always with a view to achieving Europe's ambition of sustainable transport and to strengthening the European economy.

European coordinators, in turn, are the drivers and facilitators for advancing projects that will help to implement real corridors. They carry out that work in systematic dialogue with governments, local and regional authorities, investors, stakeholders, i.e. the main players in the management of cross-border and national projects with European relevance in the corridor, promoting cooperation between Member States, relevant stakeholders, the Corridor Forum, the European Commission.

Its mission is to further the development of the corridor as whole through specific coordination actions, in particular with regard to investment in a project, the allocation of national and European funding, and other measures geared towards promoting a competitive and resource-efficient transport system: European Coordinators 'are designated to facilitate the coordinated implementation of the European Transport Corridors, European Rail Traffic Management System (ERTMS) and European Maritime Space (EMS)', under the

watchful eye of the European Parliament, which receives regular updates on the ambition of each corridor and of the progress achieved.

The key projects involve removing the navigation bottlenecks along the Danube and other inland waterways, along with the railway cross-border sections Dresden – Prague, Prague – Vienna / Bratislava – Budapest and Budapest – Bucharest, as well as major national sections, including Stuttgart – Ulm.

The procedure for appointing Coordinators involves the appointment by the Commission, on the basis of a set of competence criteria, followed by a hearing in the group of coordinators of the European Parliament's Transport Committee and a decision by the Leaders' Conference and a decision by the Council of Ministers of the EU.

Once this process has been completed, with the approval of the Member States that the corridor crosses, the Commission proceeds with the appointment.

I gladly accepted this new mission, in full awareness of the challenges ahead. I see this as another contribution to the better functioning of the internal market and the European economy, in short, to the advancement of European integration.

Margarida Marques
S&D, Portugal (2019-2024)



Margarida Marques meets with local businesses in Vienna to discuss their role in the Trans-European Transport Network in the Rhine-Danube corridor. © Margarida Marques

VISIT UNDER EU PRESIDENCY

BUILDING THE EUROPEAN UNION'S DEFENCE AND SECURITY

From November 5–7, 2025, I had the privilege of participating in an FMA visit to Denmark. I would like to extend my sincere gratitude to the FMA staff and our Danish colleagues for organizing an excellent visit. During this trip, we had the opportunity to engage in meaningful discussions on European matters with representatives from Parliament, government, local communities, and NGOs.

One of the key topics I would like to highlight is Denmark's commitment to strengthening European defence and security capabilities, as well as supporting Ukraine in its war effort.

The Danish Presidency Programme outlines two primary goals: by 2030, the EU must be capable of defending itself; and it must continue to support Ukraine's struggle for peace and freedom. In our discussions with Danish colleagues, we agreed that the 2030 deadline for achieving EU self-defence capabilities is ambitious. To meet this target, the EU must not only regain its competitive economic strength but also rebuild its defence and security capabilities. This will require the development of a strong European defence industry.

"The Danish Presidency Programme outlines two primary goals: by 2030, the EU must be capable of defending itself; and it must continue to support Ukraine's struggle for peace and freedom."



Klaus Hänsch, FMA President, with Marie Bjerre, Danish Minister for European Affairs, November 2025.

I recall a statement made by Angela Merkel, Germany's Chancellor, in 2012: "If Europe represents 7% of the world's population, produces about 25% of its GDP, and has to finance 50% of all social spending, it will have to work hard to remain competitive." The core message was that this situation was unsustainable, and Europe needed to adapt to maintain its prosperity. However, the situation has since worsened. The EU's population now represents only 5.5% of the world's total, produces about 17% of global GDP, and continues to have a significant social spending burden.

As pointed out in reports by Letta and Draghi, the EU's economic competitiveness has diminished in comparison to the US and China. Moreover, the EU has lost three key pillars that previously supported its geopolitical and economic standing: the granted protective umbrella of the US defence, Russia's supply of cheap energy, and the availability of low-cost manufactured goods from China. As a result, the EU's political and policy landscape is evolving to meet these new challenges.

At the NATO Summit in The Hague in June 2025, Heads of State and Government agreed to invest 5% of GDP in defence and security by 2035, with 3.5% directed toward core defence requirements and 1.5% towards investments supporting defence and security.

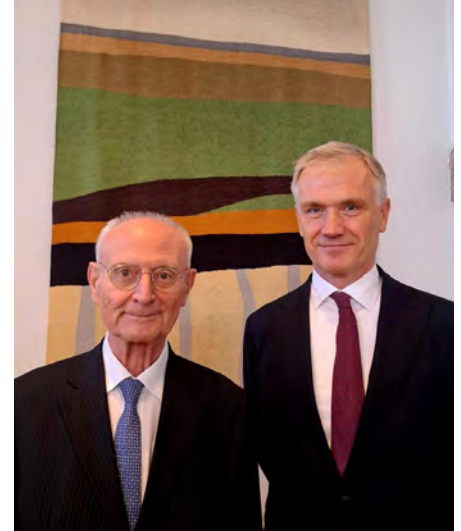
Given that NATO member states currently spend an average of only 2.1% of GDP on defence, reaching this 5% target will require a substantial increase in defence spending. Many EU member states are still grappling with managing public debt, and although increasing defence budgets is unpopular, it is essential in light of the growing and persistent security threats. The peace dividend Europe once enjoyed is now a thing of the past. In 2024, global defence spending amounted to \$2.718 trillion—37% higher than in 2015, when adjusted for inflation.

Both we and our Danish colleagues are firmly convinced that the EU's defence and security capabilities must be developed in close collaboration with NATO. In this partnership, the US and the UK bring vital nuclear capabilities that are crucial for nuclear deterrence.

Denmark serves as a model for all EU member states in terms of its commitment to supporting Ukraine with both financial aid and military equipment. However, the EU's support for Ukraine's war effort will need to increase in the coming years, especially as the US gradually reduces its contribution. According to data from The Economist, between 2022, when the war in Ukraine began, and 2025, Europe contributed \$206 billion, while the US provided \$133 billion. From 2026 to 2029, Ukraine will need approximately \$389 billion in financial assistance and arms, which is nearly double the amount Europe has provided from 2022 to 2025.

European citizens must be prepared to support their governments' efforts to allocate sufficient resources and military aid to Ukraine. The Ukrainian people are not only defending their own country but also safeguarding European values, such as democracy and freedom.

Dr. Theodor Stolojan
EPP, Romania (2007-2019)



Klaus Hänsch , FMA President, with Jonas Bering Liisberg, Danish State Secretary for European Affairs and the Arctic, November 2025 .



The FMA delegation at the Danish Parliament during a meeting with Henrik Møller, Vice-Chairman of The European Affairs Committee, and Flemming Møller Mortensen, Member of The Foreign Affairs Committee and of The Greenland Committee.

THE SOCIAL DIMENSION DURING THE DANISH PRESIDENCY

The Action Program of the Danish Presidency of the Council “A Strong Europe in a Changing World” is based on the overall assessment that the EU “is facing a new international order marked by uncertainty, global strategic and economic competition, and rising levels of conflict. That is why the EU must be able to act in its own right”. The Program therefore is organized around two overarching objectives – achieving A secure Europe and A competitive and green Europe.

The social dimension of European integration is incorporated in the Program in pursuit of the competitiveness objective. It stresses that in order to be competitive, the EU needs sufficient access to skilled labour through free and fair mobility, decent working conditions, upskilling and reskilling, and a healthy and a safe working environment. Hence, the Presidency shall promote “social dialogue at the national and European levels because of its vital role in shaping policy and turning political agreements into tangible results for workers, businesses, and European competitiveness. Building on the new Pact for European Social Dialogue, the Danish Presidency will work to strengthen dialogue between social partners.”

In the course of the visit by former Members of the European Parliament to Copenhagen on November 5-7 it became quite clear that the Danish side regards the national level as the most relevant one for advancing the social agenda of European societies. The intensive program, faultlessly coordinated by the outstanding staff of the FMA Secretariat together with colleagues from Denmark provided valuable insights into the specifics of the Danish social model and its’ interaction with social policies at the EU level.



From left to right: Teresa Domingo Segarra, Teresa Riera, Georgi Pirinski and Bob van den Bos, at the FMA meeting with Kirsten Jensen, Mayor of Hillerød Municipality.

Of particular relevance in this regard were the meetings and discussions with Kirsten Jensen, Mayor of Hillerød Municipality, with Henrik Moller, Vice-Chairman of the European Affairs Committee of the Folketing and senior members of the Committee, the visit to the Workers Museum with a meeting with trade unions and employers’ representatives and the meeting with Paul Nyrup Rasmussen, former Danish Prime Minister and Founder of Headspace Denmark.

During the visit the point was continually made that the overall political, economic and social life of Denmark was firmly embedded in the commitment to consensus-building from below, rather than on normative strictures from above. As a result, the country’s social welfare system offers unemployment, disability, old-age, and survivorship benefits at virtually no charge to all Danes not as institutionalized charity, but as morally just social rights paid for by taxes and assessments.

Regarding the objective of achieving and maintaining full employment, the specific Danish approach is embodied in the concept and policy of flexicurity, successfully resolving the conflicting challenges of providing secure employment versus the need for competitive redeployment of labor.

Hence, both politicians and social partners are strongly committed to the unique Danish labour market model and are determined to protect it from disruptive EU regulation, including by going to court over the EU’s minimum wage directive (more on this model in a separate piece in this issue).

Still, the awareness was shared that, given today’s extreme challenges and constraints, even this highly developed welfare system was no longer able – or even should be expected – to successfully take full care of the expanding range and complexity of social problems and crises.

This view was put forward in particular by the Founder of Headspace Paul Nyrup Rasmussen, arguing for the need to evolve a kind of “Welfare 2.0” system. He illustrated this need with the case of the rising share of young people experiencing psychic problems, yet not severe enough for requiring specialized psychiatric treatment and thus not covered by the standard healthcare provisions of “Welfare 1.0”. Hence his undertaking to develop Headspace as a network of centers and volunteers dedicated to identifying and engaging troubled young people in healing conversations and follow-up life-changing practices to prevent and overcome debilitating anxiety, stress and alienation.

Finally, perhaps a concluding thought regarding the interrelationship between national and European levels of integration in light of the Danish experience in the sphere of the social dimension of the EU. Clearly, Denmark has much to offer as examples of successful employment and social affairs policies to its European partners and beyond. At the same time Danish social partners and politicians feel under continuous pressure on the part of the European Commission and the Court of Justice to confirm to Union-level directives and decisions. Considering the reappearing tensions between the national and supranational levels of EU integration, perhaps it would be productive to examine a more flexible approach, combining Union-level standard-setting with nation-level policy elaboration and implementation.

Georgi Pirinski
S&D, Bulgaria (2014-2019)



FMA delegation at the Danish Parliament, in Copenhagen.

“Danish social partners and politicians feel under continuous pressure on the part of the European Commission and the Court of Justice to confirm to Union-level directives and decisions. (...) perhaps it would be productive to examine a more flexible approach, combining Union-level standard-setting with nation-level policy elaboration and implementation.”



FMA delegation at Hillerød Municipality, on the occasion of the Danish Presidency of the Council of the European Union, in November 2025.

YOUNG PEOPLE NEED EARLY MENTAL HEALTH SUPPORT ON THEIR TERMS

With growing international conflict and instability, rising cost of living, and the climate crisis, it's no surprise that mental health challenges, particularly in young people, are rising. In Europe, almost one in five 10-19-year-olds are affected by a mental health condition, and almost half of 18-29-year-olds have unmet mental health needs.¹

Traditional mental health systems typically focus heavily on treatment, particularly through hospital-based systems. And these systems are important, for those who need them. Many, however, do not need them – yet. Rather, early intervention services can much better meet their needs, and most importantly, can prevent young people from needing to access more intensive services. This crucially reduces disruption to a person's life, whilst also providing significant economic savings: every one euro spent on adolescent mental health interventions can yield a return on investment of 23.6 euros over 80 years.²

Denmark is internationally renowned for its comprehensive welfare-based health system. But another initiative, rooted in civil society, is demonstrating significant success in helping young people before they need this system.

“In Europe, almost one in five 10-19-year-olds are affected by a mental health condition, and almost half of 18-29-year-olds have unmet mental health needs.”

headspace Denmark provides counselling with trained volunteers, on the terms of young people. No issue is too big or too small, there is no waiting time, and there is no need for a referral or diagnosis – headspace aims to completely remove the barriers to accessing support.

The aim of headspace counselling is not to give advice or therapy, but rather to meet young people with openness and curiosity and to help them better understand and manage their situation. headspace is closely embedded in the local service system and also offers health promotion workshops through headspace Outreach and support to families and relatives through headspace Family.

headspace opened in 2013 and now has 38 centres across Denmark, including an online chat service. Since opening, headspace has supported over 90,000 young people through direct counselling and engaged over 460,000 young people in headspace Outreach activities. Over 700 volunteers currently donate their time to headspace, supported by 160 salaried staff.

“The aim of headspace counselling is not to give advice or therapy, but rather to meet young people with openness and curiosity and to help them better understand and manage their situation.”

And we know the headspace Denmark approach works. A 5-year evaluation³ of headspace Denmark's counselling is underway by the Copenhagen Research Unit for Recovery with support from TrygFonden. The evaluation is due to be completed in 2027, but early results show increased wellbeing in young people coming to headspace, compared to a control group. The world's leading youth mental health research organisation, Orygen, has also recently released a report on headspace Denmark, highlighting the potential of the approach to support young people in diverse contexts across the world.

This message aligns closely with guidance from the World Health Organization on the role of non-specialist services like headspace.

It's time for a new approach to youth mental health, and Denmark is leading the way.

1 United Nations Children's Fund. 2024. Policy brief 2: Child and adolescent mental health. The State of Children in the European Union 2024.

2 Stelmach R, Kocher EL, Kataria I, Jackson-Morris AM, Saxena S, Nugent R. The global return on investment from preventing and treating adolescent mental disorders and suicide: a modelling study. *BMJ global health*. 2022 Jun 1;7(6):e007759.

3 Bjørkedal ST, Christensen TN, Poulsen RM, Ranning A, Thorup AA, Nordentoft M, Bojesen AB, Hastrup LH, Ustrup M, Eplöv LF. Study protocol: an effectiveness, cost-effectiveness, and process evaluation of headspace Denmark. *Frontiers in Public Health*. 2025 Apr 7;13:1491756.

The headspace model provides a blueprint for other countries and has already been adapted by the Netherlands, Norway and Iceland. And that list is growing: a project is currently underway to open a similar service in Ukraine, supporting young people who have been affected by more than three years of full-scale war.

So where to from here? This approach is low-cost, effective, it meets the needs of young people, and is ready to be adapted and implemented into new settings. If you'd like to discuss, contact Nina Moss at nimo@detsocialenetvaerk.dk. You can also read more about headspace Denmark at headspace.dk/en/.

Poul Nyrup Rasmussen
SOC, Denmark (2004-2009)
Founder of headspace Denmark
pnr@detsocialenetvaerk.dk

Britta Thomsen
SOC, Denmark (2004-2014)
britta.thomsen@mail.tele.dk



FMA delegation with Poul Nyrup Rasmussen, former MEP and former Danish Prime Minister, in Denmark, November 2025.

“It’s time for a new approach to youth mental health, and Denmark is leading the way. The headspace model provides a blueprint for other countries has already been adapted by the Netherlands, Norway and Iceland.”



Poul Nyrup Rasmussen presenting headspace Denmark to the FMA delegation in Denmark, on the occasion of the Danish Presidency of the council of the European Union, in November 2025.

THE DANISH LABOUR MARKET MODEL AND THE EUROPEAN UNION: A JOINT CONCERN FROM THE SOCIAL PARTNERS

Let us start by making one thing very clear: The social partners here in Denmark remain strong and dedicated advocates of the European Union. While this article argues that European and Danish politicians should avoid political interference specifically in our labour market model, we wholeheartedly support a wide range of EU policies. The European single market, ambitious climate goals and a technology policy that ensures Europe is globally competitive. Just to mention three out of many important topics where the EU holds the keys to good solutions for our continent.

We represent respectively the leading employer and business organization in Denmark and the Danish trade union for around 100.000 mainly industrial workers. While we may have tough negotiations during collective bargaining rounds, it is based on mutual respect and a will to find solutions that suit both sides. We also share a common view on many political topics. EU policy and our labour market model are two good examples. The Danish labour market model is characterized by strong social partners, productive and innovative companies, high trade union density and collective agreements that provide good conditions for both employees and employers. Denmark has no minimum wage by law. We have no politically decided framework for our collective bargaining. It is all grounded in agreements between the social partners. As a result and prerequisite for this system Danish politicians largely avoid interference in topics related to the labour market. Instead, our collective agreements set the framework for our labour market to the benefit of both companies and employees.



From the exhibition "The Industrial Workforce". © The Workers Museum, Denmark.

This model is widely regarded as a guiding star in the EU and globally.

Here emerges our joint concern. Because increasingly, the EU has developed an appetite for political regulation of issues that are exclusively a matter for the social partners in Denmark. A recent example is the EU directive on adequate minimum wages. We respect and value the honest attempts from the EU institutions to safeguard our model. But the directive represents a political step into a room, where we do not even let our own Danish politicians in.

In Denmark, pay and collective agreements remain a question for social partners – not politicians. We will not transfer that power to any politician – be it in Denmark or Europe. When Denmark acceded to the European Union in 1973 and during subsequent EU referendums, protection of our labor market model was one of the most important concerns for the Danes. With the Maastricht and Lisbon Treaties, the exclusion of pay in Article 153(5) was our guarantee that the European Union would never jeopardize our model.

"Denmark has no minimum wage by law. We have no politically decided framework for our collective bargaining. It is all grounded in agreements between the social partners. As a result and prerequisite for this system Danish politicians largely avoid interference in topics related to the labour market. Instead, our collective agreements set the framework for our labour market to the benefit of both companies and employees."

“In Denmark, pay and collective agreements remain a question for social partners – not politicians. We will not transfer that power to any politician – be it in Denmark or Europe. (...) With the Maastricht and Lisbon Treaties, the exclusion of pay in Article 153(5) was our guarantee that the European Union would never jeopardize our model.”



From the exhibition “The Industrial Workforce”. © The Workers Museum, Denmark.

This hopefully explains our resistance to the directive. The recent judgement falls short of the annulment that we hoped for. Nevertheless, it contains some clear boundaries for direct EU interference in wage setting, which we consider an important stop-sign for any further attempts to legislate regarding wages in the EU.

We have a history of EU directives that have challenged our model. The Working Time Directive in the 1990's strived to keep Denmark free of political regulation of work time, which has historically been an issue reserved for the social partners in Denmark. But the guarantee only held for a few years. Then Denmark became covered against our will. Our opposition to the minimum wage directive is anchored in this historical context. The European Court of Justice furthermore has a tradition of alignment or uniformization.

This is particularly challenging for our labour market systems in Europe, since they differ significantly from country to country. In Denmark ECJ-judgements has led to several changes in well-established rules that neither employees or employers had any wish to change.

Let us end by reiterating our initial enthusiasm for the European Union. There are a wide range of areas where companies and employees in Denmark jointly see a need for a strong EU. But we will remain critical to EU interference in what we regard as the best labour market model in the world. While this may not make us popular in Brussels, we do hope that decision-makers will look to the success of the Danish labour market for companies and workers and steer away from the path towards more EU harmonization of labour market issues.

Christoffer Thomas Skov
Senior director in the Confederation of Danish Industry

Johan Moesgaard Andersen
EU Director in the Danish Metal Workers' Union

MEETING WITH THE EUROPEAN ENVIRONMENT AGENCY (EEA)

For the past 30 years, the EEA has published a five-yearly report on the state of the environment in Europe as a point of reference for political and societal decision-makers – and a new edition is hot off the press, right on time for our visit to the country holding the Council Presidency, and more importantly in time for the upcoming COP30 conference.

Without mincing words, its main message can be summarised as follows: the state of our environment is the key to human existence, health and well-being. What is more, all economic activity is dependent on and rooted in the state of nature and the environment on the one hand, and in society's social and cultural concerns on the other. And so alarm bells should be ringing all the louder for us, given that research findings from far too many fields are raising red flags about the present state of the environment, which is concerning in the extreme.

Examples that could be cited include the ongoing and rising threat to our biodiversity, the state of our habitats and soils, the impact of climate change on our ecosystems, including the oceans, and the increasing scarcity of drinking water, as well as the fact that air pollution and the absorption of chemicals have been confirmed by quantitative data to be direct causative factors in disease, and finally the consequences of extreme weather events.

In June and July 2025, 2 300 people in Europe were killed by wildfires; between 1980 and 2023, around 240 000 people around the world died as a result of extreme climate impacts. Last but not least, climate and environmental damage also plays a key role in global refugee flows.

According to the UN's refugee report, in 2024 around 45.8 million people were displaced either temporarily or permanently by disasters and climate-related events such as incessant rain, prolonged droughts, heatwaves and storms; this figure was almost double the annual average for the past 10 years.

The EEA's findings also reveal the increasing economic losses caused by damage to our ecosystems. Between 2021 and 2023 alone, such losses cost the EU Member States EUR 161 billion. If we take all the companies in the euro area, 72 % of them are highly dependent on at least one ecosystem service (water, soil or air). Europe is the fastest-warming continent on the planet. These changes not only jeopardise our ecosystems, but also threaten our security, public health, infrastructure and the economy. The EU's circular economy objectives for 2030 are no longer achievable, since resource consumption is continuing unchecked, leading to negative impacts in areas such as import dependency and the strategically important goal of autonomy. More coal, oil and natural gas was combusted this year than ever before, resulting in the highest ever CO2 emissions.


Such statements should be a wake-up call for politicians of all stripes and spark a social outcry, but actions are not yet following words. Unfortunately, it would appear that the other crises we are currently facing – wars, energy security, housing, the cost of living and pandemics – are overshadowing the need for the European community to take the forceful and sustainable action that is vital for its very survival. Against its better judgment, the European Union has been hamstrung by a majority which – under the smokescreen of an attack on red tape – is in favour of pro-business pragmatism and opposed to future-focused realism.

This is indefensible, since it will be future generations that have to pay the price of our failure to act today.

The EU Member States are going to the global climate conference in Brazil with a pared-down version of their commitments – and yet, sad to say, we ought to be grateful that they have at least reached an agreement of some kind.



FMA delegation at the European Parliament Liaison Office in Copenhagen, Denmark.



Red flags

- Biodiversity and ecosystems**
 - Ongoing biodiversity loss
 - Impacts of climate change on ecosystems
 - Soil degradation
 - Degradation of marine ecosystems
- Climate**
 - Severe impacts of climate change
 - Falling rates of carbon sequestration
 - Greenhouse gas emissions from agriculture + transport
- Pollution and health**
 - Chemicals
 - Water scarcity and pollution
- Circular economy**
 - Slow progress towards circularity
 - Unsustainable consumption

European Environment Agency | Europe's environment 2025



Tobias Lung, Europe's environment 2025 coordinator presenting the main findings of Europe's environment 2025 to the FMA delegation in Denmark.

Transformation of production and consumption systems

Energy	Industry	Mobility	Food	Built environment
 <ul style="list-style-type: none"> Expand renewables Flexibility through grid upgrades and storage Affordable energy & energy sovereignty Scrap fossil fuel subsidies CCS & hydrogen 	 <ul style="list-style-type: none"> Electrification Hard to abate Carbon capture and storage Sustainable products Boost market for secondary materials 	 <ul style="list-style-type: none"> Electrification and infrastructure for EVs Public transport Connect rail across EU Alternative fuels for aviation and maritime transport 	 <ul style="list-style-type: none"> Reduce land use for livestock Expand plant-based protein Restore land to create carbon sinks Cut water losses Shift to drought resistant species 	 <ul style="list-style-type: none"> Renovation and energy efficiency Clean energy for heating and cooling Climate resilient homes and infrastructure Cut water losses

Europe's environment 2025, Report by the European Environment Agency.

Nevertheless, there is good news we can celebrate that demonstrates that our common environmental policy is having an impact. The EU's Ambient Air Directives have significantly reduced adverse health impacts on citizens. It has been possible to cut greenhouse gas emissions significantly in the energy supply sector, in industry and in construction, even though there is an urgent need for the transport and agriculture sectors to catch up. At present, 24 % of final energy consumption throughout the EU is from renewable energies.

This figure has doubled since 2005, with a concomitant decrease in energy import dependency and a boost to employment. The period between 2010 and 2022 saw the creation of 6.7 million full-time environmental jobs.

There is a very good chance that Europe could become the market leader in green technologies and genuinely sustainable and resilient economic development, gaining a crucial competitive edge while safeguarding quality of life.

After evaluating the available evidence, the EEA has tabled clear and forward-looking proposals in this area as well. The most important levers will be found in a combination of political decisions, entrepreneurial activities and socio-technological aspects.

Innovation in terms of transforming production and consumption – in all sectors of endeavour within our society, from energy generation through to mobility, construction and foodstuffs – calls for an appropriate policy framework as well as sustainable business models.

The proposals are on the table. Now all we need – and it won't be easy – is a show of unconditional acceptance and willingness to act for the future by the relevant actors at all political levels, and buy-in from the citizens. It is they – in their capacity as voters and consumers, and as employees and employers – who will play a decisive role in the development of our planet. As former Members of the European Parliament, we have the ability to ensure that these messages are heard by others. Let us not hesitate to do so!

Gisela Kallenbach
Greens/EFA, Germany (2004-2009)

EP TO CAMPUS PROGRAMME

LECTURE ABOUT THE SUSTAINABLE COMPETITIVENESS OF THE EU

UNIVERSITY OF PAVIA, 15 SEPTEMBER 2025

On Monday 15th of September 2025, I presented my lecture for the international students at the University of Pavia. The university was organising a full week event entitled: "International Workshop: New corporate scenarios: innovation, sustainability and digitalisation". They invited me to take the floor on the opening session of the event and deliver one of the keynote speeches. I titled my speech: "European Policy for sustainable and competitive businesses and the role of the EP".

In my introduction, I reflected on the evolution of the Internal Market since I began working on it in 1999. As I stated in my speech, "Years later, there's still much work to be done. I believe the internal market should create a 'level playing field' based on maximum harmonization of legislation. That is why I always proposed converting directives into regulations, which led one journalist to call me the 'arch defender of the internal market'. I received little support from my colleagues, who seemed to prefer over-regulating our economy. The European Union has the potential to lead a sustainable and competitive economy. But the question is, are we still capable?"

Europe's competitiveness can only be understood in a global context. The United States continues to lead in innovation and venture capital, fostering rapid technological advancement through a dynamic private sector. China, on the other hand, their competitive advantage lies in their immense scale and rapid, state-backed adoption of technology. Europe, by contrast, we deal with the interests of 27 member states, where bureaucracy and excessive regulation frequently delay innovation. While initiatives such as the Green Deal pursue important environmental and social goals, they must not come at the expense of flexibility and entrepreneurial spirit. Sustainable growth requires striking a balance between regulation and innovation.

Maybe, a potential solution can be found in the "Draghi Report (2024): The Future of EU Competitiveness". The report calls for a "radical change" in Europe's economic approach, warning that the current model risks long-term competitiveness. It proposes decisive action to address the fragmentation of the internal market, increase investments in crucial sectors and easing complex regulations.

The report also emphasises the importance of strategic autonomy in energy, technology and defence (areas where Europe must reduce dependence on external actors). Moreover, it views sustainability as an opportunity rather than a hindrance: employment and innovation should be stimulated by the shift to a green economy.

Implementing these recommendations will require that Europe changes its mindset from managing decline to proactively pursuing a new era of growth. This should be achieved by a "big push" of coordinated policy and a substantial, centrally financed investment plan to close the massive gap with competitors. The European Parliament, as a co-legislator, plays a pivotal role in this transformation, ensuring that legislation fosters both competitiveness and sustainability. The new parliamentary composition, following the 2024 elections, offers a chance to realign priorities towards growth-oriented policies without neglecting social and environmental objectives.

Ultimately, the European project must evolve. After years of serving in the European Parliament, it is clear to me that the only way to achieve a competitive Europe is to reform the EU treaties and start the United States of Europe. Europe should invest more in a European emotion and identity via culture, sports and art to make Europeans proud to be Italian, Dutch, Belgian, etc., but also "proud to be European".

Antonius Manders
ALDE/EPP, Netherlands (1999-2014/2019-2024)



Antonius Manders discussing with students at the University of Pavia.

EUROPE, TAIWAN, AND THE GLOBAL AI RACE: REFLECTIONS FROM TAICHUNG

OVERSEAS CHINESE UNIVERSITY & NATIONAL CHANGHUA UNIVERSITY OF EDUCATION, 16-17 NOVEMBER 2025

My recent trip to the Chinese Overseas University and the National Changhua University of Education offered an invaluable occasion to reflect on Europe's place in a world transformed by digital disruption. The visit, centred around a lecture on the origins and purpose of the European Union and the impact of the digital revolution, unfolded in an environment of curiosity, civility, and a remarkable openness to global perspectives.

Taiwan's academic community, with a special mention for Dean Henk Vynckier, demonstrates a unique blend of pragmatism, innovation, and democratic awareness. That traits are increasingly relevant as artificial intelligence reshapes geopolitical dynamics.

The central theme of my lecture, developed within the framework of the EP to Campus program of the FMA, was the ongoing global race for leadership in AI. While much public attention focuses on technological breakthroughs, the core question is not simply which region develops the most advanced systems. Rather, it is which values will shape the future of AI, and how democratic societies can remain resilient in the face of unprecedented transformation.

Today, the AI landscape is dominated by three major approaches.

The United States champions a model driven by private-sector dynamism. With extraordinary investment, the US remains the world's leading innovation engine. Its comparative advantage lies in its entrepreneurial ecosystem, its capacity to scale rapidly, and its concentration of global tech giants. Yet this strength comes with challenges: debates on data ownership, algorithmic transparency, and social responsibility often lag behind technological deployment.

China, by contrast, has built an AI strategy heavily shaped by state direction and long-term industrial planning. Its model integrates massive public investment, centralized data resources, and strategic control over key technologies. AI is not only an economic priority but also a tool of governance and national power. While China's capacity for rapid implementation is undeniable, its approach raises profound questions about privacy, surveillance, and the role of citizens in the digital age.

Europe offers a third path. The EU's ambition is to become the leading continent for trustworthy and human-centric AI, ensuring that innovation serves democracy rather than undermining it. With the AI Act, the world's first comprehensive regulatory framework, the EU has positioned itself as a global rule-setter. Its model prioritizes safety, fundamental rights, and accountability, while new initiatives such as the European Chips Act, AI Factories, and the 2023–2030 digital investment plan aim to close the innovation gap. Europe's challenge is to reconcile these high standards with competitiveness in a fast-moving environment; but its strength lies in offering a coherent ethical alternative.

Where does Taiwan stand in this global mosaic? Taiwan is an essential, if sometimes understated, player in the AI ecosystem. As a semiconductor powerhouse, it is literally the heart of the world's digital infrastructure. It combines cutting-edge manufacturing capacity with democratic governance, strict cybersecurity awareness, and a sophisticated understanding of the risks posed by authoritarian models of technological control.

Taiwan's strategic position gives it both responsibility and opportunity: it can help ensure that the foundations of global AI (said: chips, hardware, and data security) remain aligned with open, democratic values.

This convergence of outlooks creates fertile ground for cooperation between Europe and Taiwan. We have to recognise that AI is not merely a technological competition but a contest over societal direction. Both emphasise ethics, resilience, and the defence of democratic norms. And both understand that competitiveness requires collaboration across research, regulatory development, supply chain security, and academic exchange.

My time in Taichung reinforced this conviction. The students' engagement and the university's forward-looking approach highlighted the potential for deeper partnerships in areas such as AI governance, semiconductor research, cybersecurity, and digital innovation. As Europe strengthens its digital strategy and Taiwan continues to advance as a global technological leader, the opportunities for joint action multiply.

The digital revolution may be as transformative as the printing press or Taylorism once were. But unlike past revolutions, its direction is still being written. Democracies must shape that direction together. Europe and Taiwan, two communities committed to openness, knowledge, and ethical progress, have much to contribute to this shared future.

Ana Collado Jimenez
EPP, Spain (2023-2024)

FORMER MEMBERS' NETWORK

FP-AP MEETING IN SAINT-MALO, 19-20 SEPTEMBER 2025

SAINT-MALO: DIPLOMACY, COOPERATION AND EUROPE'S COMMITMENT TO THE OCEAN

To protect the ocean is to protect life. It is to defend the air we breathe, the food we eat, the climate that surrounds us and the ecological balance that sustains our planet. In an increasingly interconnected and vulnerable world, taking care of the ocean is not an option – it is a moral, scientific and social obligation. Against this backdrop, parliamentary diplomacy, exercised by both current and former members of parliaments, has a significant role to play in preserving the ocean.

That could sum up the conclusions of the colloquy 'Europe and the Sea: The Role of Parliamentary Diplomacy' organised by the European Association of Former Members of Parliament (FP-AP) in the magnificent city of Saint-Malo in Brittany. The meeting brought together former parliamentarians from the member states of the Council of Europe, including the two authors of this article, representing the Association of Former Members of the European Parliament (FMA).

Speakers at the meeting included leading experts such as Danis Bailly, professor at the University of Western Brittany (Brest), and Luis Nadin de Carvalho, former Secretary of State and Member of the Portuguese Parliament. Of particular note was Catherine Chabaud, a member of our association and a prominent figure in the defence of the ocean. In addition to being a journalist, a navigator, a member of the Académie de marine, Vice-President of the Institut Français de la Mer and President of the Yacht Club de France, Ms Chabaud was also an MEP between 2019 and 2023, actively working on initiatives linked to the blue economy, marine conservation and ocean governance. Through her work, she promoted an integrated and ethical relationship between humans and marine ecosystems.



Round table discussion with Catherine Chabaud, Denis Bailly, Luis Nandin de Carvalho, Lantz Kenneth and Jacques Remiller, led by Jean Pierre Fourré.

"To protect the ocean is to protect life. It is to defend the air we breathe, the food we eat, the climate that surrounds us and the ecological balance that sustains our planet. In an increasingly interconnected and vulnerable world, taking care of the ocean is not an option – it is a moral, scientific and social obligation. "

Ms Chabaud is also a strong advocate of parliamentary diplomacy. She firmly believes that collaboration between current and former members of different countries' parliaments is a form of political action that builds bridges, fosters agreements and creates lasting commitments, demonstrating that parliaments, in addition to their legislative and scrutiny role, can act as platforms for global cooperation serving the common good. Those opinions were shared by all those who took part in the event.

During the meeting, the 'Declaration of Saint-Malo: Europe and the Sea', presented by Jean-Pierre Fourré, Vice-President of the FP-AP, and Jacques Remiller, former Member of the French National Assembly, was unanimously approved. It stresses that the ocean is important for

economic, ecological and climate balance, and that it contributes to the identity, culture and well-being of many regions. It also emphasises the value of parliamentary diplomacy as a tool to advance the objectives that the European Union has set itself in this area.

It is worth mentioning that the European Commission launched the European Ocean Pact this year. It seeks to restore ocean health and to strengthen the blue economy and international cooperation on ocean governance. The pact is an ambitious strategy that combines all EU policies relating to the ocean into a single reference framework. It addresses the main challenges facing the ocean, including restoring marine ecosystems, supporting coastal communities, especially islands, and boosting research and maritime security.

Research is key to understanding, protecting and restoring the balance and biodiversity of the sea, which was the motivation for the Restore our Ocean and Waters mission, launched in 2021. That mission is one of five under the EU framework programme for research and innovation, Horizon Europe (2021-2027). Those missions are strategic approaches that aim to solve major challenges through bold, clear and measurable goals, and the mission on oceans and waters has mobilised over EUR 8 billion across more than 1 000 concrete actions to reach its targets.

All of this leaves no doubt about the EU's commitment to leading the charge in protecting the ocean and its resources, with its sights set on consolidating a future Ocean Act to endorse, in law, its commitments to defend a vital resource. And with good reason: the ocean covers over 70 % of the Earth's surface, produces over 50 % of the oxygen we breathe, absorbs a large proportion of the CO₂ we emit, regulates the climate, sustains marine biodiversity, and provides food, jobs and livelihoods. Caring for the ocean is not an option – it is a necessity.

"All of this leaves no doubt about the EU's commitment to leading the charge in protecting the ocean and its resources, with its sights set on consolidating a future Ocean Act to endorse, in law, its commitments to defend a vital resource."

Those who attended this interesting meeting were also welcomed by the Mayor of Saint-Malo, Gilles Lurton, and were able to visit the tidal power station on the Rance estuary, which leverages the fact that the area has some of the highest tides in the world (13.50 metres) to generate clean, renewable and sustainable energy. We also visited the Saint-Brieuc offshore wind farm, off Cap Fréhel, and enjoyed a guided tour of Dinan castle (the palace of the Dukes of Brittany) and the town of Matignon, learning about the latter's historical connection with the residence of the French Prime Minister and with the Principality of Monaco. The day culminated with music and a tasting of Breton food and drink next to the chapel of Saint-Germain.

The meeting was notable not only for its high-quality presentations and in-depth discussions, but also for its excellent organisation and for the cordial and cooperative atmosphere among all participants, reflecting their shared commitment to protecting the ocean and the future of our planet.

Teresa Riera Madurell
S&D, Spain (2004-2014)



Participants of the Colloquy "Europe and the Sea. The Role of Parliamentary Diplomacy", Saint-Malo 2025.

COOPERATION JEAN MONNET HOUSE

JEAN MONNET HOUSE, 16-18 OCTOBER 2025

AT THE JEAN MONNET HOUSE, MONNET'S INSPIRATION LIVES ON

First general meeting of the new Committee of Action of the United States of Europe

Reputable FMA members were present: Vice President Monica Baldi, former EP President Enrique Barón Crespo, former EU High Representative & EP President Josep Borrell, former EP First Vice President Othmar Karas, former Minister of Foreign Affairs of Spain Ana Palacio, UEF President Domènec Ruiz Devesa. As well MEP Andrea Wechsler, the EP Director General DG COMM Christian Mangold, the Head of Service at the Jean Monnet House Martí Grau Segú and EP former Secretary General & Chair of the Martens Centre's Academic Council Klaus Welle.

The Jean Monnet House hosted the first general meeting of the new Committee of Action of the United States of Europe from 16 to 18 October, 2025. The committee, a creation of Jean Monnet 70 years earlier almost to the day, had been relaunched by several pro-European organisations in the European Parliament on May 7, 2024 and fleshed out with a specific declaration in Ventotene in September of last year.

It was not the first time that the Action Committee was revived. After twenty years of fruitful activity, Monnet put an end to the "first" Action Committee's work in 1975, not long after the creation of the European Council he had himself inspired, and after the announcement of the first direct elections to the European Parliament, which he saluted as the coming of a new generation of leaders strengthened by democratic legitimacy.

Monnet, in his late eighties at the time, had decided to cease his frequent commutes to Paris from his home in Houjarray, and focused on his memoirs. Several years after Monnet's death in 1979, his close collaborator Max Kohnstamm reconstituted the Action Committee with new goals. While Kohnstamm himself saw the first Action Committee as instrumental every step of the way in the two decades of its existence (drafting the Treaties of Rome, rooting pro-European ideals in national political party systems, solving institutional deadlocks like the empty chair crisis, and bringing about British accession), in the second he focused on the completion of the Single Market and the creation of the single currency.

At the behest of its proponents, the Jean Monnet House has become the main locus of this third iteration of the Committee both as venue for its first general meeting and as recipient of the documents and feedback that the discussions will generate. The Jean Monnet House team has been up to the task, with an informal work seminar on the history of the Action Committee on February 11, and with the preparation of background information for participants to the first general meeting in October.

Among those participants were Enrique Barón, Josep Borrell, Othmar Karas, Enrico Letta, Mario Monti, Ana Palacio, Andrea Wechsler, and Klaus Welle. Christian Mangold, Director-General for Communication at the European Parliament, and Fernando Sampedro, Spanish Secretary for the European Union, inaugurated the discussions. The program included a well-attended public event of commemoration of the 70th anniversary of the Action Committee, for which I had the pleasure of

introducing a lecture by Gilles Grin, President of the Fondation Jean Monnet pour l'Europe, on the history and development of Monnet's Action Committee.

On this occasion, it was fitting to remember that one of the first to mention the goal of a United States of Europe was Victor Hugo in his opening speech at the Paris International Peace Congress of 1849. Since this year also marks the 140th anniversary of his death, the European Parliament Art Collection has loaned the Jean Monnet House a bust of Hugo, a copy of the marble original created by Marius Mercier in 1889 for the salon Victor Hugo in the Palais du Luxembourg. The presence of this artwork certainly added historical depth to an ambitious idea that is proving to have an open road ahead!

Martí Grau Segú

Head of the Jean Monnet House Service and curator of the site, Directorate-General for Communication, European Parliament



First general meeting of the new Committee of Action of the United States of Europe. © Monica Baldi

THE THIRD ACTION COMMITTEE: CONCRETE STEPS FOR FEDERAL RENEWAL

In a world in flux — with traditional alliances under pressure, emerging powers reshaping the global order, and the challenges of technology, demographics, ecology and defence calling for decisive action — the EU cannot afford half-measures. The Declaration adopted at Maison Jean Monnet, our excellent host, by the reconstituted Action Committee for the United States of Europe on the 18th of October 2025 sets out a clear political agenda to secure a truly sovereign and democratic Europe.

The document advances three objectives which must be pursued simultaneously: (1) the full implementation of the Letta and Draghi reports; (2) the establishment of a European common defence meaningful in scope; and (3) the overhaul of decision-making. I will examine each of these in turn, before reflecting briefly on how they come together.

1. Completing the single market and enhancing competitiveness

A cornerstone of the Declaration is the call for the full implementation of the Letta and Draghi reports as essential instruments for completing the Single Market and enhancing Europe's economic and technological sovereignty. The Action Committee urges the European Commission to ensure this goal, by 2028, since they must not be considered advisory documents but binding roadmaps for reform. Doing so, the Union can turn its enhanced productivity and competitiveness into the backbone of the social market economy and geopolitical power. This also requires a more ambitious proposal for the 2028-2034 Multi-Annual Financial Framework (MFF).

2. Establishing a European Common Defence

Draghi himself acknowledges that economic strength is not enough to be a geopolitical actor. Thus, the Declaration explicitly calls on Member States, acting through the European Council, to “establish a European Common Defence, as foreseen in article 42” of the Treaty on European Union, and notes that this can also be achieved via the Permanent Structured Cooperation (PESCO). It should include pooling and sharing defence capabilities; joint planning and procurement; and a standing Union-level defence coordination architecture.

3. Reforming Decision-making

The third thrust of the Declaration concerns institutional reform, especially the abolition of unanimity in key policy areas: foreign, security and defence policy, taxation, and the MFF, and moving them to the ordinary legislative procedure – including on Treaty reform and enlargement. In tandem, the Parliament is asked to condition its support for future annual budgets and the new MFF on the European Council's following up on the November 2023 proposal to reform the Treaties. It also suggests calling an Inter-parliamentary Assembly to move these proposals forward.

Together, the suggested roadmap constitutes a bold but practical push for federalization by exploiting Parliament's powers and prerogatives as the budgetary authority, which is about the only tool to put pressure on Member States.

Finally, the new Action Committee calls for “the creation of a renewed cross-partisan and inter-institutional pro-European coalition encompassing the most committed Member States in the European Council, the pro-European majority in the European and National Parliaments, the European Commission, regional and local institutions, over and above the particular inertias of each institution, and organised civil society” to mobilise and support these requests for a more sovereign and democratic Union.

The mission is clear: bring together the political will, the institutional actors and the pro-European civil society to make the federal leap a reality. The task now is collective execution.

Domènec Ruiz Devesa

*S&D, Spain (2019-2024)
President of the Union of European Federalists*



Participants of the Third Action Committee for the United States of Europe. © Monica Baldi



Europe, stay vigilant and become strong

by **Hans-Gert Pöttering's**, published by Herder



Depressed at the thought of those dark winter days drawing ever nearer? And you've not yet read Hans-Gert Pöttering's latest tome *Europa, bleibe wachsam und werde stark* (Europe, stay vigilant and become strong)? Then do it now!

Find a comfy armchair and make sure you have plenty of drinks to hand because this book is hard to put down and challenges everything we think we know. You won't regret it! Covering 464 pages, with additional contributions from well-known associates, it will enrich your mind.

That much is clear from the foreword by Friedrich Merz, who stresses that the author's personal commitment to peace and reconciliation through word and deed (such as the construction of the House of European History in Brussels) has shaped him and never left him at any stage of his life. Democracy and the liberal order should be a guiding principle for all of us and a goal we resolutely and untiringly pursue in the fight against the authoritarian forces of other states in the world or possibly within the European Union. We learn that it is not just the war in Ukraine that should serve as a warning to us! We need to actively oppose the problems of the present in general. Every single day!

Hans-Gert Pöttering was born in Lower Saxony (Federal Republic of Germany) a few days after the end of the Second World War and recently celebrated his 80th birthday.

His book reflects a man and a politician who is a tireless advocate of democracy and freedom in a united Europe, both today and in the future.

The bitter lessons from our past that are discussed reflect the obligation that each and every one of us has to work for peace in our world. Hans-Gert Pöttering also has his family in mind in this portrayal of his thoughts and ideas, writing: 'My sons Johannes and Benedikt are the bridge between history and the future!' And for that reason alone it is worth studying this book. It not only admonishes, but also reflects the strength that responsibility, humanity, community, wisdom and humility instil in us. And it conveys the resounding message that the pursuit of majorities, including in legislative decisions by the Council of the European Union for example, is fundamental if the Union is to remain competent. So, you see that every one of us and every European institution has a role to play. No one can shirk their responsibility.

We should also not forget and never lose sight of the fact that European unification is a matter of the mind and of the heart. Any relapse into European policy that is shaped by national interests alone would be ruinous, so merely cooperating is not enough. So, let us also support the European Commission in becoming a strong executive, legislative and judicial pillar. The European Court of Justice, with its special authority to examine suspected infringements of the principle of subsidiarity, should also be our focus. We must not stand still in the fight for justice.

There is no historical inevitability. All our efforts to unify Europe on the basis of constitutional and international law should remain a priority. Unification is a precious commodity that must be preserved and strengthened, come what may. So, Europe – and we in Europe – must rise to the occasion during our time and keep on doing so in the future.

The book exposes our responsibility for a happy coexistence free from fear; it describes a kind of 'culture of remembrance' that includes the ups and downs of our being. And the depiction is vibrant, multifaceted and especially deeply rooted in the author's optimistic conviction that the reward for all our efforts that strengthen peace and a conciliatory coexistence is a world worth living in, especially given that we all live in an interconnected world these days.

However much we might have hoped that the plethora of bad events happening daily in recent years alone and still impacting us from outside would start to decline, we are mistaken. This is just one reason why the reflections that Hans-Gert Pöttering holds up to us like a mirror are worth thinking about and considering.

We will reap what we sow and cultivate. At best, we will build up the resilience we need and we will learn from what Hans-Gert Pöttering and his various co-authors have to say.

The book is divided into six chapters with a foreword by Friedrich Merz and an introduction by Hans-Gert Pöttering. An interesting arc runs through the entire work.

This brings me back to my opening lines. Take some time out to read this vibrant book. You won't regret it! It is truly inspiring.

Brigitte Langenhagen
EPP, Germany (1990-2004)

UPCOMING EVENTS



ACTIVITIES - SAVE THE DATE

25-27
MARCH 2026

FMA Visit to Cyprus

On the occasion of the Cypriot Presidency of the Council of the European Union, a FMA Delegation will visit Cyprus from March 25th to 27th. Dates are still to be confirmed. Registrations will open in January 2026.

1-5
JUNE 2026

FMA 25th Anniversary Exhibition

From June 1st to 5th, the exhibition celebrating our association's 25th Anniversary will be held in the European Parliament. The opening ceremony will take place on June 2nd at 16:00.

2
JUNE 2026

Annual Memorial Service, Cocktail Reception and Dinner Debate

On June 2nd, from 17:45 to 18:15, current and former MEPs will pay tribute to their colleagues who passed away in 2025-2026 in the European Parliament Hemicycle (Brussels). A dinner debate will take place from 19:30 to 21:30, preceded by a cocktail reception from 18:30 to 19:30.

3
JUNE 2026

Annual General Assembly and Annual Lunch

The Annual General Assembly will be held from 9:00 to 13:00 at the European Parliament in Brussels, beginning with a special session dedicated to the 25th FMA Anniversary. At the end, the Annual Lunch will be offered to FMA members.

21-23
OCTOBER 2026

FMA Visit to Ireland

On the occasion of the Irish Presidency of the Council of the European Union, a FMA Delegation will visit Ireland from October 21st to 23rd. Dates are still to be confirmed.

FMA MEMBERS' NEWS

Rua Professor Doutor Manuel Lopes Porto

The academic, professional and civic career of Manuel Lopes Porto, member of the Management Committee of the European Parliament Former Members Association, has been honoured with the naming of a street after him in Coimbra, Portugal. The initiative was taken by the Coimbra Business School | ISCAC, and the newly named street is directly linked to the institution, of which he is a member of the Strategic Council.



© Manuel Porto

Catherine Chabaud appointed Minister for Maritime Affairs and Fisheries

FMA member Catherine Chabaud was appointed Minister of State for Maritime Affairs and Fisheries (France) in October 2025, a recognition that highlights her longstanding dedication to maritime issues.



© Teresa Riera

FMA AT WORK

MEMBERS OF THE MANAGEMENT COMMITTEE



Klaus
HÄNSCH



Monica
BALDI



Jean-Pierre
AUDY



Teresa RIERA
MADURELL



Edit
HERCZOG



Michael
HINDLEY



Edward
McMILLAN-
SCOTT



Manuel
PORTO



Godelieve
QUISTHOUDT-
ROWOHL



Paul RÜBIG



Marc ANGEL
*Quaestor
responsible
for relations
with the FMA*



Fabienne
KELLER
*Quaestor
responsible
for relations
with the FMA*

FMA BUREAU

President: **Klaus HÄNSCH**

Vice-President: **Monica BALDI**

Treasurer: **Jean-Pierre AUDY**

Secretary: **Teresa RIERA MADURELL**

LIST OF MANAGEMENT COMMITTEE RESPONSIBILITIES

FMA Bulletin Editorial Board:

Ms Baldi (Chair), Mr Audy, Mr McMillan-Scott, Ms Riera Madurell and Mr Rübig.

EP to Campus: Mr Hindley (Chair), Mr Porto and Ms Quisthoudt-Rowohl.

Relations with Budgets Committee, DG Finance: Mr Audy and Ms Herczog.

Relations with Belgian administration: Ms Herczog.

Dinner Debate: Ms Baldi.

Delegates to the Bureau of the European Association of Former Members (FP-AP): Mr Audy and Ms Riera Madurell. If necessary they will be substituted by Ms Quisthoudt-Rowohl.

FMA Communication: Ms Baldi (Chair) and Mr Hindley.

Delegates to the Annual General Assembly, seminars and colloquies of the FP-AP:

Mr Audy, Ms Riera Madurell and Ms Quisthoudt-Rowohl. Besides the FMA delegates or their substitutes and in agreement with the European Association, other FMA Management Committee Members may participate in the annual seminars or colloquies at their own expense.

Relations with Former Members Associations outside Europe: Ms Quisthoudt-Rowohl (Chair), Mr Audy, Ms Baldi and FMA Member with advisory role Isabella De Martini.

Archives: Ms Herczog.

Annual seminar and relations with think tanks, policy institutes and foundations:

Ms Riera Madurell (Chair), Ms Baldi, Ms Quisthoudt-Rowohl and Mr Rübig.

Working Group on Democracy Support and Election Observation:

Mr McMillan-Scott (Chair), Mr Hindley and Ms Quisthoudt-Rowohl.

Relations with the House of European History: Ms Herczog and Mr Hindley.

Relations with the European University Institute (EUI): Ms Baldi.

FMA Recruitment: Mr Audy, Ms Riera Madurell and FMA Member with advisory role Michel-Ange Scarbonchi

IN MEMORIAM



Reinhold BOCKLET

☞ 23 August 2025
EPP, Germany (1979-1993)

He served as a German Member of the European Parliament. At the national level, Mr Bocklet represented *Christlich-Soziale Union in Bayern e.V.*



Barry H. SEAL

☞ 17 September 2025
PES, United Kingdom (1979-1999)

He served as a British Member of the European Parliament. At the national level, Mr Seal represented *Labour Party*.



Petra KAMMEREVERT

☞ 18 October 2025
S&D, Germany (2009-2024)

She served as a German Member of the European Parliament. At the national level, Mrs Petra Kammervert represented *Sozialdemokratische Partei Deutschlands*.



Caroline JACKSON

☞ 20 October 2025
ED/EPP, United Kingdom (1984-1992, 1992-2009)

She served as a British Member of the European Parliament. At the national level, Mrs Jackson represented *Conservative and Unionist Party*.



Francisco Pinto BALSEMÃO

☞ 21 October 2025
LDR, Portugal (1986-1986)

He served as a Portuguese Member of the European Parliament. At the national level, Mr Balsemão represented *Partido Social Democrata*.

IN MEMORIAM



Rafael CALVO ORTEGA

☞ 28 October 2025

NA/LDR, Spain (1987-1989, 1989-1994)

He served as a Spanish Member of the European Parliament. At the national level, Mr Calvo Ortega represented *Centro Democrático y Social*.



John Leslie MARSHALL

☞ 3 November 2025

ED, United Kingdom (1979-1989)

He served as a British Member of the European Parliament. At the national level, Mr Marshall represented *Conservative and Unionist Party*.



Claudio AZZOLINI

☞ 20 November 2025

FE/UFE/EPP, Italy (1994-1995, 1995-1998, 1998-1999)

He served as an Italian Member of the European Parliament. At the national level, Mr Azzolini represented *Forza Italia*.



Esko SEPPÄNEN

☞ 6 December 2025

GUE/NGL, Finland (1986-2009)

He served as a Finish Member of the European Parliament. At the national level, Mr Seppänen represented *Vasemmistoliitto*.



Patrick Mark COONEY

☞ 6 December 2025

EPP, Ireland (1989-1994)

He served as an Irish Member of the European Parliament. At the national level, Mr Cooney represented *Fine Gael Party*.

OPTIONS FOR THE GLOBAL MONETARY SYSTEM



Europa goddess statue in the Wiertz street in Brussels. © European Union 2016 - Source : EP

A GLOBAL CURRENCY?

This Focus takes a look at the subject of currency, an instrument that is as fascinating as it is deadly for governments and peoples alike.

Historically, Europe – because of its age, proximity and rivalries between powerful states – has probably been a place where civil wars driven by money have been the most devastating.

Whatever the negligence, incompetence or folly of rulers, money never lies and always reflects the reality that politicians would like to hide from the people.

The German people will never forget the chain of events that followed defeat in the First World War: heavy reparations to be paid to the victors, large-scale printing of money to ensure payments could be made and, consequently, hyperinflation and chronic economic and political instability in the 1920s, culminating in the Great Depression of 1929. This tumultuous period created fertile ground for the rise of Adolf Hitler and the Nazi Party. The German mark lost all its value: one US dollar was worth 4.2 trillion marks in November 1923.

This monetary crisis ruined the middle class and eroded confidence in democratic institutions.

In France, we should of course mention the misadventure of the assignats, the debt securities issued by the French Treasury after the Revolution in 1789. Their value was guaranteed by assignment (hence the name ‘assignats’) on property confiscated from the Church by the revolutionaries to finance the bankrupt State. Assignats became a circulating and trading currency in 1791, and the revolutionary assemblies issued them in increasing quantities, leading to high inflation. The assignats were abolished as legal tender in May 1797.

Germany, France, the United States, the United Kingdom, Russia, Mexico, Argentina, etc, there is a long list of countries and peoples that have suffered from a serious monetary crisis, generally coinciding with significant developmental moments: the discovery of the New World in 1492, the steam engine in the 18th century, electricity in the 19th century.



Assignat. © Nadia Desré / Adobe Stock

In this context, the euro is a tremendous success for the peoples of Europe, who had the wisdom to unite what divides them in the same way as they did with coal and steel: instead of manufacturing weapons, they built a huge common market.

By uniting their currencies, they created trust and the world's second-most traded currency.

The euro accounts for approximately 19 % of international currency use, behind the dollar, which is dominant but declining. This level has remained stable for ten years but contrasts with the decline in the eurozone's share of global GDP.



Zwei Millionen Mark (Two Million Mark) note. © Claudio Diviza / Adobe Stock

“(...) the euro is a tremendous success for the peoples of Europe, who had the wisdom to unite what divides them in the same way as they did with coal and steel: instead of manufacturing weapons, they built a huge common market.”

"The changes ahead of us are immense: climate and geopolitical challenges, excessive government debt, an ageing population, artificial intelligence, the decline of democracies.

The major development is the rise of private currencies, cryptocurrencies, stablecoins, etc."

In its 23rd annual review of the international role of the euro, the European Central Bank (ECB) notes that the euro remained stable in terms of its international position in 2023 compared with 2022. Crises and geopolitical instability have not affected the single currency, which has consolidated its second position in the global currency hierarchy.

So what about the future?

The changes ahead of us are immense: climate and geopolitical challenges, excessive government debt, an ageing population, artificial intelligence, the decline of democracies.

The major development is the rise of private currencies, cryptocurrencies, stablecoins, etc.

Some countries around the world are beginning to ban cryptocurrencies. Others authorise them, while still others regulate them (as in the European Union).



Concept coin of 1 euro, November 1995. © Communautés européennes 1995

According to those involved, behind all this lies a jumble of motives: the desire to serve citizens and economic actors (businesses, savers, consumers) and develop trade, but – also – to facilitate corruption, avoid dependence on the US dollar, circumvent international economic and financial sanctions, finance dictatorships by contributing to the destabilisation of sincere and naive democracies, etc.

In this context, the European Central Bank's digital euro project seems so timid, slow and even outdated: a preparatory phase from November 2023 to October 2025 and, if the legal basis is approved, the digital euro could be issued in 2029.

In monetary terms, the 19th century was dominated by the pound sterling and the 20th century by the US dollar.

Who will dominate the 21st century?

Could the next global crisis be monetary?

Let us hope that a supranational global currency, based on global GDP, will be developed and introduced, one based, for example, on the local experience gained throughout the eurozone.

Jean-Pierre Audy
EPP, France (2005-2014)

"In monetary terms, the 19th century was dominated by the pound sterling and the 20th century by the US dollar. Who will dominate the 21st century?"

DIGITAL FINANCE AND THE FUTURE OF THE INTERNATIONAL MONETARY SYSTEM

The international monetary system has always evolved in response to shifts in economic power, technology, and political stability. Yet its defining feature—strong inertia—endures. Half a century after Bretton Woods, the U.S. dollar remains the foundation of global trade, finance, and reserves.

The dollar's global dominance rests on confidence in its role as a global store of value. Persistent fiscal deficits risk undermining this foundation, as doubts over debt sustainability may trigger inflation and devaluation pressures, weakening the dollar's nominal anchor. Yet no other currency offers a comparable combination of liquidity, safety, and institutional credibility. While tokenization may strengthen the dollar's position in the near term, over time digital innovation, the fiscal situation of the US, and the rise of new global powers could accelerate its decline.

The sections that follow provide a concise overview of how these interacting forces—technological innovation, fiscal dynamics, and shifting geopolitical power—may redefine the structure and stability of the international monetary system.

1. The Enduring Dollar Order

The dollar's centrality rests on deep Treasury markets, institutional credibility, and the global reach of U.S. finance and payment systems. These strengths create powerful network effects—the more the dollar is used, the greater the incentive to continue using it. As a result, the system functions as a self-reinforcing equilibrium, where deviation from the dollar standard becomes increasingly costly. However, these centripetal forces increasingly confront centrifugal pressures stemming from growing U.S. fiscal imbalances and associated inflation risks.

2. Stablecoins

Dollar-denominated stablecoins extend the dollar's reach into digital finance and increase demand for U.S. Treasuries, as issuers hold short-term, high-quality assets as reserves. This dynamic reinforces the dollar's role as both medium of exchange and store of value. The GENIUS Act—the first comprehensive U.S. legal framework for stablecoins—appears designed to consolidate the dollar's dominance and reduce U.S. debt-financing costs in the short run, though pursued amid fiscal imbalances, it could amplify systemic risk in the longer run. Euro-denominated stablecoins, by contrast, hold only a marginal share of the market, largely because of fragmentation in euro-area government bond markets.



United Nations Monetary and Financial Conference, July 1944. © UN Photo

3. Central Bank Digital Currencies

Many countries are developing central bank digital currencies (CBDCs)—secure, interoperable public money designed to coexist with private tokens. In the euro area, the Eurosystem’s pilots (Pontes, Appia) test the settlement of tokenized assets in central-bank money. A retail digital euro could help safeguard monetary sovereignty. While CBDCs will not soon displace the dollar, they could anchor regional payment systems and reduce dependence on a single reserve currency.

4. The Case for Multipolarity

A gradual transition toward a multipolar monetary system would more accurately reflect ongoing geopolitical dynamics. In such an arrangement, multiple reserve currencies—the dollar, euro, renminbi, and others—could coexist, enhancing systemic resilience and reducing the “exorbitant privilege” enjoyed by any single issuer.

However, multipolarity carries its own risks: increased exchange-rate volatility, heightened demands for policy coordination, and the potential for financial fragmentation if digital ecosystems remain siloed. Preventing these outcomes would likely require sustained international cooperation.

The euro’s prominence in a multipolar monetary system will depend on the EU’s ability to navigate shifting geopolitical dynamics and accelerate financial modernization. Leveraging tokenization to reduce market fragmentation—through the development of the Digital Euro, interbank CBDCs, and related infrastructures—can strengthen Europe’s monetary capacity.



Euro sign in front of the European Central Bank offices. © ilolab / Adobe Stock

Establishing a unified and liquid Eurobond market—a credible international safe asset—is also a key step toward providing the scale and depth needed to enhance the euro’s global role in a world of excess savings. These reforms will only deliver their full benefits if embedded in a credible fiscal framework that balances the need for short-term economic stabilization with the goal of long-term fiscal sustainability—a balance achievable through policies that foster innovation and durable economic growth.

5. Non-Sovereign Digital Currencies

An important challenge for policymakers could come from non-sovereign digital currencies. Blockchain-based ecosystems—including DeFi platforms and PayPal’s USD stablecoin (PYUSD)—already operate with their own media of exchange and settlement. Private ecosystems can expand and gain dominance—especially if fiscal strains and fading confidence in U.S. leadership erode the dollar’s appeal and no credible sovereign alternative emerges.

If non-sovereign digital currencies gained broad adoption, governments could lose control over money creation and policy transmission. Trust in digital money still depends on the reliability and security of its protocols—algorithmic rules governing issuance, settlement, and governance. In such a system, the trust that fiat money derives from fiscal discipline, central bank credibility, and the rule of law would be replaced by confidence in the safety and transparency of digital protocols. While such a shift would pose a significant risk to countries’ monetary sovereignty, it remains remote for now given the technological gaps in developing protocols that are both trustworthy and efficient enough to support reliable, fast, and scalable digital payments.

Leonardo Melosi

Professor of Economics at the European University Institute

OPTIONS FOR THE GLOBAL MONETARY SYSTEM

Without monetary exchange and settlement, we don't have functioning and dynamic economies. International trade between countries and trading blocs can't work without an agreed monetary system. That system depends on money, agreed payment systems and crucially public confidence. From the Bretton Woods agreement in 1944 to the establishment of the IMF and the World bank – a slow but determined international attempt has been made to improve the global conditions for monetary exchange. The past decade and a half have especially been a period of unprecedented international standard setting for the global monetary system.

But the question remains – are the international institutions we have established since the end of WW2 fit for purpose in a new world order which increasingly, it would seem, we are moving from a rules-based system to a power-based system. The multi-lateral monetary system is under strain and it's inevitable that increased fragmentation and increased risk will and is emerging within the international economy.

There are also big questions for the traditional tools at the disposal of central banks. The emergence of stable coins, crypto and digital currency and the new technology under these developments also questions the ability of central banks to influence the monetary system through its traditional role of interest policy and financial stability interventions. And in this new multi polar world order, will the traditional role of respecting the independence of central banks be upheld?

Central banks are at the cornerstone of the monetary system. Public confidence in money and the system is fundamentally based on trust in the central banks' ability to issue currency and fulfil its mandate around price and financial stability

The events that led to the Global Financial Crisis over a decade ago highlighted just how interconnected the financial system is. Important strides have been made since 2009. Banking Union here in the EU – with new institutions such as the SSM and SRB to bring about joint banking supervision and resolution. Better International coordination with Organisations like IOSCO with global standard setting for the securities sector. International capital agreements via the Basil Agreement – although increasingly we see divergence here especially in the past 12 months.

And while Central Banks and International standard setting organisations play a critical role in the monetary system, most payments and customer services are handled by commercial banks and other private payment service providers.

“Are the international institutions we have established since the end of WW2 fit for purpose in a new world order? (...) And in this new multi polar world order, will the traditional role of respecting the independence of central banks be upheld?”

Firms that operate within this system must be held accountable for the agreed regulatory and supervisory obligations that are expected from public authorities. While of course some firms will fail – and we can never have a zero-risk approach to firms in financial services – what's important is that such failure does not lead to a systemic problem for the overall market. The challenge for regulators is to regulate in a way that promotes competition and choice, helps innovation and protects customers.



Brian Hayes at the Monetary dialogue with the President of the European Central Bank, Mario Draghi, in September 2017. © European Union 2017 - Source : EP



© Who is Danny / Adobe Stock

Historical anchors of trust in central banks are being challenged by decentralized technologies and shifting geopolitical alliances. The financial system is undergoing rapid technological change and should do so to evolve with structural changes in the economy and society.

One technological innovation currently gaining momentum is the tokenisation of financial assets. This technology promises potentially a more secure, efficient and transparent financial market infrastructure for the transfer of assets in real time.

Central banks are looking at how to apply this technology for settlement purpose within the financial system or more commonly known as wholesale central bank digital currency (CBCDs). Technological change also affects retail payments made by individuals and businesses. The ECB, like other central banks internationally, is bringing forward the issuance of the digital euro within the Eurozone system and this project is progressing rapidly, only recently with the support of European Finance Ministers.

One of the strong arguments in favour of CBCDs is that central banks can regain control against private stablecoins and this control could mitigate against the risks posed by cryptocurrencies. Equally the development of publicly backed digital currency could allow Central Banks to compete in a digital environment against private issuers.

We have seen the impact of Stablecoin across several markets but especially in the US and the dramatic projection of its usage and value over the next 5 years. Most Stablecoins are pegged to the US dollar, and the question must be asked does this increase the dominance of the US dollar within the global economy? There are interesting developments here in the EU. In September a Euro Stablecoin Consortium involving 9 European Banks announced a joint venture under the new Micar legislation passed by the last European Parliament.

As we look ahead and try to understand how all these changes might affect the new global digital monetary system one thing is certain – we are entering a period of increased downside risk. The appetite for greater coordination and a strengthening of the traditional role played by the IMF or the G20 – does not exist right now. We are likely to see increased fragmentation between regional monetary systems and less international agreement on a way forward. It's a rocky road ahead and the options don't look great.

Brian Hayes

EPP, Ireland (2014-2019)

Member of the Board of the European Banking Federation.

THE GLOBAL MONETARY SYSTEM AFTER BRETTON WOODS

Since World War II, the global monetary system has evolved through successive transformations while remaining rooted in the spirit of Bretton Woods: a belief in rule-based cooperation and monetary stability under U.S. leadership. Yet that spirit is now in retreat. After decades of financial liberalization, successful crisis management, and the dollar's entrenched dominance, the shift in U.S. domestic politics and approach to international relations is eroding the foundations of the global monetary order. The dollar is the world's currency, but its nature as safe asset is increasingly questioned. Without renewed multilateral engagement, the global monetary system will drift toward a block-fragmented world plagued by instability reminiscent of the pre-Bretton Woods era.

Since World War II, the global monetary architecture has undergone profound transformations in its institutional, political, and conceptual foundations. Yet these changes have remained largely within the spirit of the Bretton Woods agreements, which envisioned a stable global monetary system as essential for ensuring peace and prosperity. It is worth reconsidering the journey that now seems to have brought us back to square one.

The original Bretton Woods blueprint rested on a global nominal anchor—the U.S. dollar's convertibility to gold—linking all countries through a system of fixed but adjustable exchange rates. The Bretton Woods institutions were designed to promote trade and financial stability, not capital mobility, which was viewed as destabilizing. With capital

controls in place, the International Monetary Fund (IMF) had sufficient resources to manage balance-of-payments problems and, under U.S. hegemony, coordinate globally cooperative policies.

Crisis and reform of the original Bretton Wood blueprint

It soon became clear, however, that the original design could not endure. The system began to unravel as the United States—somewhat predictably—prioritized domestic goals over maintenance of gold convertibility. Inflation driven by war spending and social programs in the 1960s made the gold standard unsustainable. Combined with the oil shocks of the 1970s, this produced severe monetary turmoil and undermined the viability of capital controls. The dollar's primacy came under pressure: the United States could use its geopolitical influence to discourage foreign central banks—but not private markets—from selling dollars.

Three key reforms reshaped the Bretton Woods blueprint. First, an amendment to the IMF's Articles of Agreement allowed countries to choose their preferred exchange rate regime. Europe began its journey toward monetary unification, while other advanced economies adopted floating rates. Second, leading nations embarked on internal deregulation and external capital account liberalization, laying the foundations for the rapid financialization of the global economy. Third, the Reagan-Volcker disinflation re-established a dollar-centered order, in which the anchor of gold convertibility was replaced by fiscal and monetary policies committed to low and stable inflation.

Continuity through crises

With market deregulation and free capital mobility, the world became increasingly vulnerable to currency and financial instability. From the mid-1990s, emerging economies accumulated large dollar reserves as self-insurance against crises. In "Bretton Woods Mark II," the U.S. currency remained central to trade and finance. Global imbalances widened as the United States ran persistent current account deficits, and global production chains expanded—especially after China joined the World Trade Organization. Confidence in self-regulating markets encouraged unfettered globalization. Rule-based multilateralism survived, but markets increasingly dominated the intellectual and institutional debate.

This new system could manage regional shocks—such as those in Mexico, East Asia, and Russia—but it could not prevent the Global Financial Crisis (GFC), which spread financial turmoil and sovereign risk across advanced economies. Even though the crisis originated in the United States, the dollar's dominance deepened, as the GFC reinforced its role as a safe asset. Investors continued to trust that the dollar would appreciate during global downturns. The United States effectively became the world's lender of last resort through Federal Reserve swap lines that stabilized global financial networks.

The waning of multilateral leadership

The spirit of Bretton Woods—promoting rules-based multilateralism and international cooperation—outlived the gold standard, deregulation, liberalization, and multiple crises. What changed in the 2010s was that, for Washington, global leadership through multilateral institutions became far more difficult. The U.S. share of global GDP had steadily declined relative to Asia, while domestic dissatisfaction with globalization fueled protectionist sentiment and eroded trust in international cooperation. Politics capitalized on this by embracing a confrontational, grievance-driven narrative, that now defines the US new and destructive U.S. approach to the global order it once anchored.

The building blocks of a stable monetary system—a global nominal anchor, institutions fostering global cooperation, a world balance of power supporting these institutions—are all been challenged.

The United States currently wields power through aggressive bilateral deals rather than by managing global cooperation. The dollar remains the dominant currency, yet markets doubt its safe-asset status. Although investors remain heavily invested in dollar-denominated securities—where else could they go?—they increasingly seek protection in the derivative markets.

At home, high public debt and growing political interference in Federal Reserve policy signal a rising tolerance for inflation.

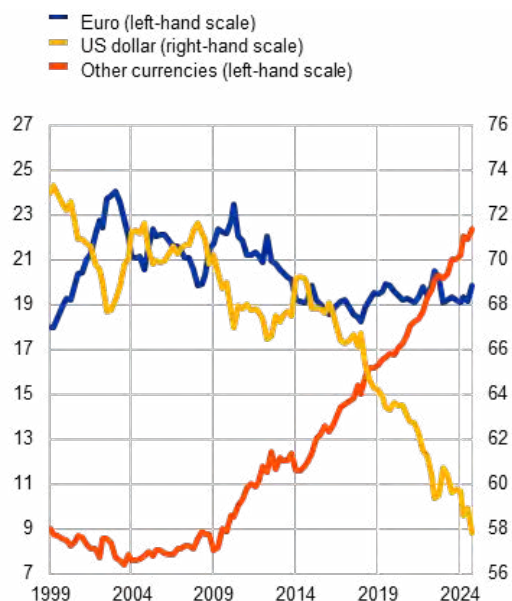
This may lead to capital controls and financial repression as the U.S. government will struggle to contain borrowing costs—with destabilizing consequences worldwide. Instability may be amplified further by digital currencies, which, though potentially efficiency-enhancing, become tools of geopolitical rivalry and regulatory arbitrage in a confrontational environment.

For decades, the global monetary system adapted to changing circumstances sticking to the spirit of Bretton Woods. The dominant power has now abandoned it. Without renewed multilateral engagement, the global monetary system will drift toward a block-fragmented world plagued by instability reminiscent of the pre-Bretton Woods era.

Giancarlo Corsetti

Professor and Joint Chair of the Department of Economics at the European University Institute

“For decades, the global monetary system adapted to changing circumstances sticking to the spirit of Bretton Woods. The dominant power has now abandoned it. Without renewed multilateral engagement, the global monetary system will drift toward a block-fragmented world plagued by instability reminiscent of the pre-Bretton Woods era.”



Composition of global foreign exchange reserves over time, with the euro's share remaining broadly stable. The US dollar's share gradually declines, mainly to the benefit of non-traditional reserve currencies. © European Central Bank, 2025

GLOBAL CURRENCY CRISIS

NO, THE BEGINNING OF A NEW FINANCIAL ERA

The debate about a looming global currency crisis has been going on for years. It is true that the world is currently in a phase of rapid geopolitical, technological and economic upheaval. As the world economic order evolves and new centres of power emerge, the question of which currencies will dominate the future is becoming more and more relevant. At the same time, we are experiencing the dynamic development of digital assets. Bitcoin stood at over USD 120 000 in October and the stablecoin market is also growing rapidly, not only in the US, but also increasingly so in Europe.

What we are seeing right now is less of a global currency crisis than it is a profound transformation process. Stability and digital transformation are not in conflict, but rather in harmony.

Crypto-assets and stablecoins: new players in the monetary system

In recent years, crypto-assets have come to be a serious addition to the global financial system. Currently, the market capitalisation of all stablecoins stands at USD 293 billion. The common thread between them is that the top stablecoins, such as Tether (USDT) and USD Coin (USDC) are connected with the US dollar in some form, despite the fact that only one in five transactions take place in the US. US Treasury Secretary Scott Bessent estimates that the stablecoin market will be worth EUR 3.7 billion by 2030.

“What we are seeing right now is less of a global currency crisis than it is a profound transformation process. Stability and digital transformation are not in conflict, but rather in harmony.”

Stablecoins offer advantages over classic bank transactions. They enable quicker, cheaper and more transparent international transfers. Traditional payments to non-European accounts can often take days, whereas stablecoin transactions are processed almost instantaneously.

America responds strategically with the Genius Act

Stablecoins are long past being a marginal phenomenon and the US Genius Act acknowledges this. Among other things, the act requires that stablecoins be 100 % backed with reserves of US dollars or short-term, liquid US Treasury securities. At its core, the Genius Act is not just a financial regulation, but also a targeted strategy to consolidate the dominance of the dollar in the era of digital currencies.

MiCA makes Europe an anchor of stability

Europe has chosen to take a different approach. With the Markets in Crypto-Assets Regulation (MiCA), the EU became the first large economic region worldwide to establish a comprehensive, binding legal framework for dealing with crypto-assets. MiCA sets out clear guidelines for providers, investors and supervisory authorities, therefore promoting trust and market readiness.



Stefan Berger during the EP plenary session, joint debate on crypto-assets, in the context of the MiCA regulation, April 2023. © European Union 2023 - Source : EP

The regulation lays down clear and uniform rules applicable to all Member States. It specifies who can issue stablecoins, how they must be backed and which transparency obligations apply to issuers. MiCA therefore ensures legal certainty, investor protection and a level playing field, without stifling innovation.

A few years ago, Meta (Facebook) was planning to revolutionise global payments with its ‘Libra’ stablecoin (later ‘Diem’). The company had hoped the digital currency would establish itself as an acceptable means of payment in online retail across the world. A private technology company would then have become a key player in the international financial system – a scenario that raised significant concerns from Washington to Brussels.

Had Libra achieved the same reach as WhatsApp or Instagram, i.e. millions of users, its reserves could have exceeded the foreign exchange reserves of many states. It could be said that Mark Zuckerberg would have been acting as a central bank. This enormous financial weight is precisely one of the main reasons that governments and central banks blocked this project. A stablecoin of that magnitude – one that could jeopardise the stability of the financial system – would not have been permitted in the EU under MiCA.

In the coming years we can certainly expect a stablecoin market clean-up. Many small issuers will exit the market. MiCA prevents a ‘patchwork of crypto chaos’, ensuring that numerous currencies co-exist in an orderly way, rather than a complex jumble of countless potentially unstable currencies. It also creates uniform standards and stability. MiCA makes Europe a global leader in the regulation of digital financial markets, and the euro can position itself as a stable and trustworthy anchor in the new digital financial system.

In conclusion, competition between traditional and digital currencies does not trigger crises and instability. Instead, it broadens the structure of the global financial system and it makes it more resilient – with the support of robust regulation.

Stefan Berger, MEP
EPP, Germany (2019-...)



“MiCA prevents a ‘patchwork of crypto chaos’, ensuring that numerous currencies co-exist in an orderly way, rather than a complex jumble of countless potentially unstable currencies. It also creates uniform standards and stability. MiCA makes Europe a global leader in the regulation of digital financial markets, and the euro can position itself as a stable and trustworthy anchor in the new digital financial system.”



Bitcoin price trend versus gold price, Magnificent 7 and Nasdaq © European Central Bank, 2025



European Parliament
**FORMER MEMBERS
ASSOCIATION**

European Parliament Former Members Association

Tel.: + 32(0)2 284 07 03
formermembers@europarl.europa.eu

European Parliament - Bât. József Antall 02Q073
Rue Wiertz, B-1047 Brussels.

www.formermembers.eu

Follow us

-  **@European Parliament FMA**
-  **@EuroparlFMA**
-  **@Europarl_FMA**