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A WORLD OF CRACKS: THE NEW GLOBAL DISORDER

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Climate-proofing the future

DOSSIER

Building fair value chains

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The Progressive Post

The Progressive Post is the political magazine of the Foundation for European Progressive Studies (FEPS). It gathers renowned thinkers, experts and activists from the world of politics, academia and civil society, provides critical analysis of policies, and clarifies options and opportunities for decision-makers.

Our ambition is to undertake intellectual reflection and debate for the benefit of the progressive movement, and to promote the founding principles of the European Union: freedom, equality, solidarity, democracy, human dignity, as well as respect of human rights, fundamental freedoms and the rule of law.

With a focus on EU politics, our crucial interest is the state and future of Social Democracy. We offer a platform (in print and online) for finding progressive answers to climate change, uneven development and social inequality in the European as well as global context. We invite our readers to explore with us the contradictions of our time and our authors to put forward arguments for peace, sustainability and social justice.

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by Nicolas Schmit

It is a special honour and an exceptional challenge for me to have been entrusted with the presidency of FEPS. I am happy to be building on the solid work accomplished by Maria João Rodríguez and the FEPS team over the past years.

We are facing a fractured world that is characterised by the loss of certainties of the post-World War II and post-1989 international order. Social Democracy decisively shaped what we used to call the Western world with its core values: democracy, the rule of law, human rights, social justice and solidarity. Inspired by these values, Social Democrats have courageously opposed fascism and Stalinism.

Today, what we used to call 'the West' may not exist any longer, as its fundamental values are being brutally called into question by the Trump administration. According to the 2025 US National Security Strategy, the European Union is in a 'civilisational crisis'. It is no longer viewed as America's natural ally, but rather as an antagonistic entity created to harm US interests. And what is more worrying, the strategy does not contain a single hint of criticism of Russia and its criminal war of aggression against Ukraine. Europe's security is at stake. Support for Ukraine and the development of a truly European defence policy with a strong industrial dimension are therefore urgent.

For Europeans, these should be shocking wake-up calls, particularly because America's words are being followed by deeds. **The US operations in Venezuela and Iran, which have made oil a primary objective rather than democracy, and the US threat to annex Greenland, show that international law is no longer respected.**

America's pressure to induce the EU to abandon its legislation on digital platforms and artificial intelligence further illustrates the

widening gap between the US and the EU. The EU should not give in on this issue, which is so fundamental for our democracy.

In a world dominated by power relations, the European Union should strategically wield its strength in the service of its interests, and to protect its political and social model. We should not be afraid of Power Europe!

But on this side of the Atlantic, European far-right parties aim to destroy the European Union, a rules-based bloc founded on precisely the values, principles and rights that are now being thrown overboard.

Social Democrats constantly warn about the danger from far-right populists who rely on the Trump administration and its globally organised followers, whose interference in Europe's political life through the so-called 'patriotic parties' has now been ascertained. We need a comprehensive strategy that starts with a clear understanding of why far-right populism is electorally so successful in many member states and why the Social Democratic narrative has lost its attractiveness.

The EU is now confronted with a totally new geopolitical and geoeconomic context, with a technological race at its core. Europe's internal political and social cohesion is under threat. Inequality at all levels remains Europe's most persistent challenge in a rapidly changing socio-economic context. And migration has become the most polarising issue in our societies. **In addition, climate policy, although a defining challenge of our time, is often used by conservatives in alliance with the climate-sceptic far right to draw social fault lines and argue that the EU's Green Deal is too bureaucratic.** Progressives need to better link climate policy, economic progress and social justice, and must develop credible answers that account for social realities without compromising fundamental human rights.

For FEPS and for the *Progressive Post* – which celebrates its 10th anniversary this year – all these tectonic changes and huge challenges require significant effort to provide solid analytical work and informed recommendations for progressive decision-makers. This is a task that the FEPS team will continue to perform with its usual passion and commitment.

Social Democracy can become the movement of change for the better in a fractured world. We must work further to turn our vision into action for a strong Europe that remains committed to its values and becomes more capable of preventing Europe's vassalisation. That's what the majority of European citizens want.

Editorial



Nicolas Schmit,
FEPS President



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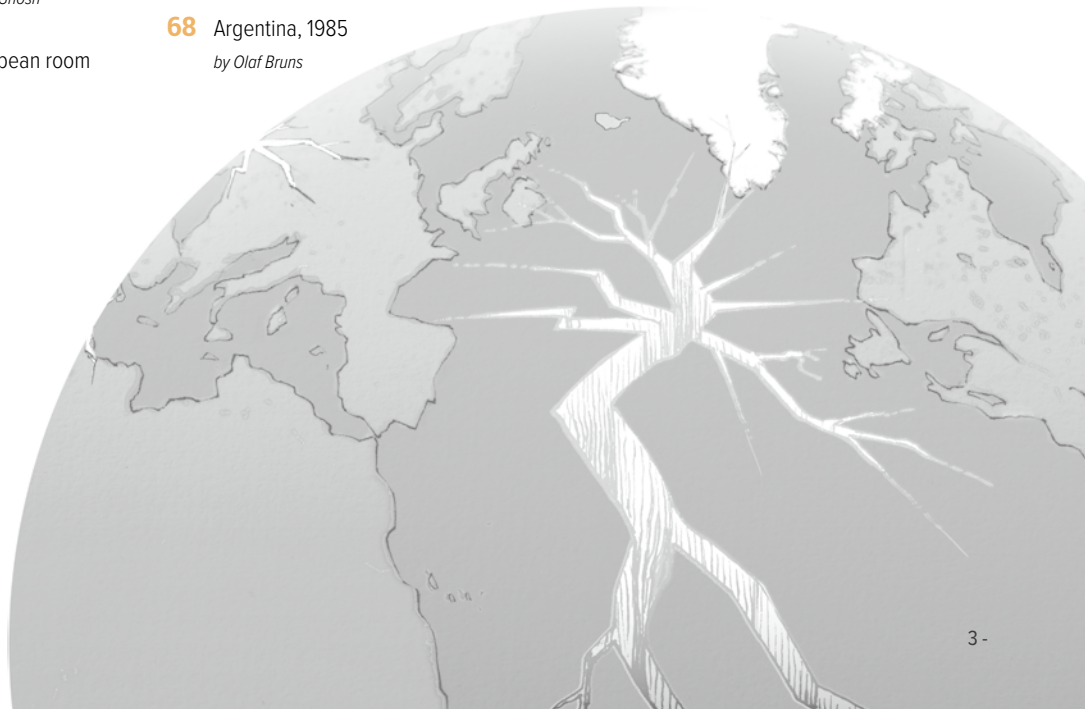
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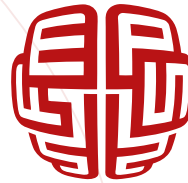
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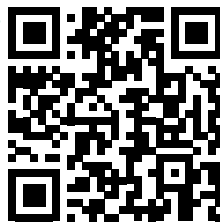
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Our mission is to develop **innovative research, policy advice, training and debates.**

We aim to inspire and inform socialist and social democratic politics and policies across Europe.



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A large European Union flag is being held up by a crowd of people in front of a Gothic building. The flag is the central focus, with its characteristic blue field and twelve gold stars. The background shows the ornate facade of a Gothic building with arched windows and doorways. The overall image has a teal color overlay.

CURRENT AFFAIRS



Spain alone?

by László Andor

Among European heads of state and government, Spain's Prime Minister Pedro Sánchez alone went out with a categorical critique and rejection of the US-Israeli aggression against Iran, launched on the last day of February. No sympathy for the theocratic regime of Iran was behind this, but a sound understanding of the consequences of the systematic violation of international law by the US and Israel, and the risks of such a war for Europe, which needs neither another energy crisis nor another humanitarian emergency with hundreds of thousands of refugees involved.

This has not been the only action that has separated Spain's Socialist government from the right-wing majority in Europe. A little earlier, in February, the Spanish government had also announced social media restrictions for children under 16, six months after a similar measure was introduced by the Australian Labour government. The smart regulation is expected to diminish the risk of mental health problems among adolescents, and it can be implemented without throwing out the baby (all the positive services contemporary info-communication tools offer) with the bathwater.

► *Since Sánchez became prime minister, the minimum wage has increased by 66 per cent, demonstrating that real change is possible when Socialists govern for the public good, rather than for privileged interests.*

Fifteen years ago, Spain suffered most from the EMU (economic and monetary union) crisis, along with Greece. The government of Mariano

Rajoy followed the flawed recipes of internal devaluation and was even proud of it. **Since Sánchez became prime minister, the minimum wage has increased by 66 per cent, demonstrating that real change is possible when Socialists govern for the public good, rather than for privileged interests.** Moreover, the Spanish government published a blueprint earlier this year to transform corporate governance and boost economic democracy, including employee participation.

In economics, Spain has been a star performer in the last five years. Capitalising on the EU's recovery funds after the Covid-19 recession, Spain has orchestrated a new path of sustainable and inclusive growth, with particular attention to gender equality. The country is now among the leaders in renewable energy and digitalisation. Sánchez bravely went ahead with the regularisation of about half a million immigrants, a measure that triggered the ire of right-wing ministers, MEPs and commentators across Europe.

And the gentleman is not for turning. Thanks to the robust delivery at home and the principled

approach to foreign policy, his support remains strong. This is in sharp contrast, regrettably, with countries where Social Democrats continue to experience erosion of electoral support, or even greater setbacks. One could have the impression that the political pendulum is broken in some countries: a swing to the right was not followed by a swing back to the left, but by the replacement of the Social Democratic forces with new populist tendencies.

In the spring of 2025, it was a welcome development that in both Germany and Austria, the Social Democratic parties decided to join grand coalitions. This has delivered badly needed stability, which is the positive side. However, these positions in government have not yet resulted in improved popularity in either case. Not only more time, but also much more innovation will be needed to regain support and fend off the risk of relegation to second-order political forces. Meanwhile, in the United Kingdom, a more acute crisis has developed in the aftermath of the Mandelson-McSweeney imbroglio. The Labour Party had been on a rollercoaster even without these revelations, and the full consequences still need to play out.

Even if one looks back to the 1976 IMF crisis or the split of the Social Democrats in 1981, it is hard to find a deeper and more troubling crisis in the Labour party's history than the one unfolding before our eyes, given the oversized influence of Peter Mandelson over the development of the Labour Party ever since the late 1980s.

'Third Way' thinking was once an export product. It was loved in East Central Europe following the rise of Tony Blair and Gerhard Schröder some 25 years ago, and its modernist messages had a strong appeal in new EU member states after 2004. However, the consequence was that Socialists in this region began to lose focus on economic and social development, and they lost support in peripheral areas and then in every other area. They have experienced a decline following EU accession, primarily because EU membership did not lead to upward convergence in social conditions. First in Poland, and then in Czechia, there have been parliaments without a progressive representation. In Hungary, 2026 marks the culmination of a long period of exhaustion, division and agony.

The silver lining is that in Northern Europe, Social Democrats not only remain top players, but the centre-left parties entered 2026 with hope and confidence ahead of the parliamentary elections of the coming period. Northern Europe has always been a great attraction for progressives, with the caveat that, in reality, the region represents a relatively small population. And it was always wishful thinking that political developments in Sweden (or, more broadly, in Scandinavia) could be copy-pasted onto the rest of the world. Nevertheless, even without the illusion of transplants, inspiration certainly comes oftentimes from the North.

► *It appears that Social Democracy can offer a unifying platform, when needed, against the far right, although rallying cries against fascists and other extremists alone will not deliver Socialists success and save democracy.*

And more recently, the presidential election in Portugal has also come as a pleasant surprise, with the victory of the former PS leader António José Seguro. In a way, his triumph can be compared to the French parliamentary election in June 2024, when the pop-up Popular Front managed to defeat the ferocious far-right bloc, to which Macron's irresponsibility opened the door, following the European Parliament election debacle of the liberal centrists. From these two cases, **it appears that Social Democracy can offer a unifying platform, when needed, against the far right, although rallying cries against fascists and other extremists alone will not deliver Socialists success and save democracy.**

Altogether, **Pedro Sánchez is not alone, even not in the European Council. Denmark, Lithuania and Malta are also represented by Social Democrats, and they need the support of the entire political family,** even if in some of their policies they may not represent the median opinion of the centre-left, and sometimes they find themselves in unusual domestic conflicts. And, very importantly, Antonio Costa, the President of the European Council, has indeed played the role of the 'adult in the room', for example, when he distanced himself from Ursula von der Leyen, who spoke so carelessly about abandoning international law and the rules-based international order.

It is too early to look for a historical comparison. But we shall not forget what Sánchez said to those who thought he was isolated. "You may have heard that Spain is alone. They're the same people who said that when we recognised the State of Palestine, and then others followed". And the conclusion: "We are not alone. We are the first. Those who will end up alone are the ones defending the indefensible".



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László Andor,
FEPS Secretary General



Social justice in Europe: competitiveness must not come at the expense of people

by Estelle Ceulemans

The World Day of Social Justice on 20 February marked the occasion for Europe to face up to its responsibilities. Behind the rhetoric of competitiveness, simplification and economic performance lies a fundamental question: what kind of Europe do we want to build for those who live and work here?

For several years, there has been a strong temptation to portray social justice as an obstacle and social standards as barriers to competitiveness. By constantly talking about 'simplification', we end up forgetting what, too often, the cost of simplification is: reduced workers' rights, protections and dignity. Yet **there can be no sustainable competitiveness without social justice.**

► *Simplification must never become a pretext for lowering our social and environmental standards.*

SIMPLIFYING MUST NOT MEAN DEREGULATING

Yes, Europe must simplify. It must simplify its procedures and make its policies clearer and more effective. But **simplification must never become a pretext for lowering our social and environmental standards.** A Europe that abandons its protections in the name of speed

or immediate gain is not a competitive Europe. It is a Europe that weakens itself. Social justice cannot be reduced to administrative rules. It is the foundation of a stable, innovative and confident society. **Removing or weakening workers' rights does not create lasting prosperity. Rather, it creates precarity, downward mobility and mistrust.**

It is precisely in this spirit that a 'quality jobs act' should be framed: an ambitious initiative to ensure that every job created, especially in the context of the green and digital transitions, is a quality job. This means decent wages, safe working conditions, access to lifelong learning and respect for collective bargaining. European public funds cannot finance precarious employment. They must be conditional on high social standards.

FOR SMART, EUROPEAN COMPETITIVENESS

Europe needs smart competitiveness based on quality, innovation, training and upskilling, not

on social dumping. **Being competitive does not mean paying less. It means producing better, cleaner and more sustainably.** This requires embracing a distinct European model that maintains and improves Europe's social standards, rather than aligning with models that treat labour as merely an adjustment variable. A strong social Europe is not a handicap in globalisation. It is a strategic advantage.

While representing a real opportunity to create sustainable jobs, the green and digital transition can only succeed if it is fair. It cannot rely on the sacrifice of certain regions, sectors, or workers. Reforming without support, and transforming without protection, is a recipe for failure. Social justice means investing massively in training, reskilling and securing career paths.

REINDUSTRIALISING EUROPE FOR REAL

Reindustrialising Europe is a strategic, social and environmental necessity. But this is not just about relocating final production chains. It means rebuilding complete value chains –

- ▶ *Being competitive does not mean paying less, it means producing better, more cleanly and more sustainably.*



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including raw materials, processing, manufacturing and recycling – on European soil. **Raw material plants, processing sites, quality industrial jobs: these are the core of genuine European sovereignty.** This reindustrialisation must be synonymous with quality employment, respect for social rights and workers' health.

- ▶ *People cannot be replaced, endlessly optimised or worn down, without consequences. Preserving and improving workers' rights is not a luxury. It is a moral imperative.*

To be credible, this ambition must be backed by massive and sustained investment. The European Union must equip itself with a multi-annual financial framework commensurate with these objectives, focused on industrialisation, innovation, the green transition and the creation of quality jobs. Without a strengthened European budget capable of supporting

strategic sectors, assisting regions and securing career paths, reindustrialisation will remain just a slogan. Through a shared, targeted budgetary effort, conditional on compliance with social and environmental standards, Europe can build a solid and sovereign industrial base.

At a time of automation and artificial intelligence, a reminder is needed: **a worker is not a machine. People cannot be replaced, endlessly optimised or worn down, without consequences. Preserving and improving workers' rights is not a luxury. It is a moral imperative** and a condition for collective performance. The strongest companies are those that invest in people and in collective bargaining.

| A FAIR AND AMBITIOUS SOCIAL EUROPE

Social justice is not an ideological option. It is at the heart of the European project. A fair Europe is one that protects, empowers and offers prospects – a Europe that puts citizens back at the centre of its economic and industrial choices.

Let us state clearly that there will be no European prosperity without social justice, no successful transition without solidarity, and no sustainable competitiveness without respect for social rights. Europe must choose: a simplification that weakens, or an ambition that unites.

*Estelle Ceulemans,
MEP, Group of the Progressive
Alliance of Socialists
and Democrats in the
European Parliament*





It's the European economy, stupid!

by Esther-Mirjam Sent

Increasingly, Europe's economy is portrayed as incompatible with competitiveness. This framing confuses institutional constraint with economic weakness, and risks eroding the foundations of Europe's prosperity and social cohesion.

Bill Clinton's campaign team once coined the phrase "It's the economy, stupid!" to discipline political debate: stop chasing distractions and focus on what actually shapes people's lives. The European Union today needs a similar refocusing, but on its own economic strengths. The European economy is built around labour protection and regulation, prioritising stability and collective well-being. It has produced durably high living standards and cohesion, yet this reality is increasingly recast as weakness.

► *Europe does not need to resemble the US to be strong. European strength lies in its own political economy and in the outcomes this model produces.*

This myth is loudly promoted by the Trump administration, but it no longer only comes from Washington. The same narrative increasingly resonates across Europe itself, where debates on competitiveness mischaracterise the EU social and economic institutions as liabilities.

If the EU accepts this framing, it risks hollowing out the foundations that have sustained its living standards and social cohesion. **Europe does not need to resemble the US to be strong. European strength lies in its own political economy and in the outcomes this model produces.**

The transatlantic comparison is usually reduced to gross domestic product (GDP) per capita, where the US outperforms the EU. But GDP is a blunt instrument. It captures aggregate output and average income, while telling us little about how prosperity is distributed or how secure people feel in it. **When attention shifts to economic security – protection against unemployment, illness and poverty – the EU performs far better than the competitiveness narrative suggests.** These outcomes are produced by an institutional settlement that governs markets rather than deferring to them.

Take redistribution and labour markets. European societies reduce inequality more effectively than the US through taxes and transfers, backed by collective institutions. This is not only a moral choice; it is associated with lower economic volatility and greater resilience during downturns. In the United States,

labour is poorly organised, industrial relations are fragmented, and the welfare state remains politically fragile. The result is not dynamism but volatility. Households fall hard when shocks hit, and politics radicalise under pressure.

Europe's stronger social protections work differently. **Collective bargaining and labour standards, supported by social security, limit extreme wage dispersion and insecurity.** This stabilises incomes and consumption and supports long-term investment in skills and health. Welfare, in this sense, is not redistribution after growth; it is part of the infrastructure that sustains shared prosperity and social stability.

► *The absence of a federal right to paid maternity leave in the US is not a cultural quirk; it is an economic constraint.*

Gender equality in the labour market exposes this institutional difference even more clearly. Female employment rates are on average significantly higher in the EU than in the US,



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in part because Europe has institutionalised social reproduction through paid parental leave and public support for care. **The absence of a federal right to paid maternity leave in the US is not a cultural quirk; it is an economic constraint.** Gender pay gaps and labour market segmentation remain, but their persistence points to the need for stronger coordination and enforcement rather than deregulation.

► *Retaliatory tariffs may look assertive, yet they risk inflating prices at home and reinforcing a politics of insecurity.*

These institutional strengths matter not only domestically but also shape how Europe exercises power externally. Tariff threats from Washington expose the dangers of confusing performance with power. Economically, tariffs are crude tools that raise prices for consumers. Politically, they function as instruments of coercion rather than trade correction. Tariffs aimed at individual EU member states are particularly ineffective: the single market makes

them porous, while enforcement would strain already overstretched customs authorities. The threat matters as a signal, but it is not a model Europe should imitate. **Retaliatory tariffs may look assertive, yet they risk inflating prices at home and reinforcing a politics of insecurity.** The EU should not damage its own economic foundations to prove it can play the same game. Throwing boulders into one's own harbour is not strength; it is a sign of panic.

The union's real leverage lies elsewhere: in regulation. **The EU shapes global markets because access to its market matters. From competition policy and digital market rules to labour rights and environmental standards, European regulation sets benchmarks that others follow.** This is not bureaucratic overreach. It is geopolitical capacity, as firms and states adapt to EU rules in order to access the EU market. That is precisely why sweeping deregulatory agendas, sold in the name of competitiveness, are strategically misguided. They weaken the very source of the EU's influence: credible rules and the capacity to enforce them. The alternative is clear. **Europe should resist deregulatory reflexes and strengthen enforcement, while exporting its standards through trade and market access.**

The European Union cannot outspend or out-gun the United States. But it can out-govern it if regulation is treated as a source of power rather than as a liability.

There is an irony in borrowing a phrase popularised by a former US president to argue that Europe should not mimic America. But the irony is instructive. Europe's future strength will not come from copying Washington's gestures or internalising its pressures. It will come from consolidating the EU's own political economy: welfare as infrastructure, labour rights as stabilisers and regulation as geopolitical power.

It's the European economy, stupid!

*Esther-Mirjam Sent,
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Europe needs animal spirits again – deregulation will not stimulate them

by Claes-Mikael Ståhl

Europe's competitiveness debate is accelerating under a growing sense of urgency. Slowing growth, geopolitical rivalry and constant comparisons with the United States and China are driving calls for rapid action. The conservative right and employers' organisations present deregulation as the solution, as if Europe's future could be secured by cutting back protections rather than by building long-term capacity. For progressives, this moment demands not only resistance to bad ideas, but the responsibility to put forward a credible alternative.

In the 1930s, Europe and the wider world faced an economic and political breakdown that shattered old certainties. The Great Depression was more than a recession. Factories ground to a halt, unemployment soared, and investment evaporated. Classical economists insisted that markets would correct themselves – that wages and prices would adjust, and recovery would come automatically. But it did not. The underlying issue was a collapse of confidence, and the subsequent economic despair paved the way for authoritarianism, nationalism and catastrophic war. Europe learned, at immense cost, that economic stagnation and hopelessness can threaten democracy and civilisation.

John Maynard Keynes understood this underlying dynamic. The problem was not only economic. It was psychological and social. A key insight was that **capitalism does not run on calculation alone. It runs on confidence, in a world of fundamental uncertainty about the future.** Keynes introduced one of the

most enduring concepts in modern political economy: animal spirits – the spontaneous optimism that, in particular, drives entrepreneurs to invest, but also more generally allows workers and all citizens to spend and plan in the present, believing in the future even when the future cannot be known.

► *In moments of profound uncertainty, the state has a responsibility to act – to invest, to create demand, to provide direction, and to restore the belief that tomorrow can be better than today.*

When animal spirits collapse, the economy freezes. People delay purchases, businesses

sit on cash and shed labour, and stagnation becomes self-reinforcing. Recovery requires more than technical adjustment. It requires the rebuilding of collective confidence. Keynes's conclusion was clear: **in moments of profound uncertainty, the state has a responsibility to act – to invest, to create demand, to provide direction, and to restore the belief that tomorrow can be better than today.**

Almost a century later, Europe faces a different crisis – but with a similar underlying condition: once again, we live in an era of radical uncertainty. Energy and raw materials have become geopolitical tools. Supply chains and strategic resources are under threat of dislocation. Climate neutrality demands industrial transformation at unprecedented speed. Technology is reshaping work and power relations. Fears of job losses are on the rise. Once again, Europe faces an investment shortfall and a growing lack of confidence.

Simplification

Omnibus I and II

26 February 2025



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In this context, the authoritarian far right is ready to harvest discontent in societies where people feel the future is closing in on them. History should remind us that hopelessness is dangerous. Against this backdrop, Mario Draghi's competitiveness report was widely received as a wake-up call. It recognised that the European Union risks long-term decline if it does not mobilise investment, innovation and industrial capacity. Draghi pointed towards a truth that Keynes would have supported: **competitiveness is not produced automatically by markets. It requires investment, coordination and strategy.**

Yet precisely at the moment the EU needs to rekindle its animal spirits – the confidence to invest in the future – an old reflex is returning: deregulation. The problem is not only that deregulation is being advanced as the answer. It is also that we, as progressives, have failed to offer a clear alternative. Opposition to deregulation is justified, but too often defensive. **What is needed is a competing vision of competitiveness grounded in building capacity.** We must define a different strategy – one that mobilises investment, secures employment and gives both companies and workers confidence now and in the future. Where such an agenda is absent, deregulation fills the vacuum.

Through the use of 'omnibuses', we are told competitiveness will come from weakening obligations, cutting burdens, and tearing down protections in the hope that market forces, unleashed, will deliver renewal. This is profoundly misguided. As Keynes recognised, **prosperity is not restored by removing rules in the hope of market readjustment. Prosperity returns when society regains confidence in the future.** And that requires government action to boost investment and spending, and to stabilise employment and expectations.

► *Europe's animal spirits will not be awakened by deregulation, but by coordinated investment and a shared social project people can trust.*

Animal spirits are not released by heightened insecurity. They are released when people can see something being built. Investment builds confidence. It builds infrastructure, industries and skills. It tells workers and

companies alike that Europe has a plan – that the green and digital transitions will be managed, that demand for the products now being developed will exist, and that innovation and work will be rewarded. **Deregulation, by contrast, breeds uncertainty. It signals retreat rather than ambition. It risks reducing competitiveness to short-term cost-cutting instead of long-term capacity-building.** The EU's competitiveness agenda now faces a choice. One path is about building: an agenda based on investment, innovation, quality jobs, collective bargaining and social cohesion. The other path is about demolition: deregulation disguised as simplification, the union's fragmentation through subsidy races, and a race to the bottom on standards.

What the EU needs is a shared project that people can believe in – not a misguided business-led adjustment strategy and another abstract debate on competitiveness. We should build on what already works: social dialogue, the SURE programme, and the Recovery and Resilience Facility have shown that protecting workers, stabilising demand and investing together strengthens both resilience and growth. The same logic applies to industrial policy initiatives, support for collective bargaining and trade policy that defends labour standards. These are not barriers to competitiveness – they are its foundations. **Europe's animal spirits will not be awakened by deregulation, but by coordinated investment and a shared social project people can trust.** For us as progressives, the task is now to turn this insight into a concrete competitiveness agenda – one that rebuilds confidence through investment, security and shared purpose.

*Claes-Mikael Ståhl,
Deputy General Secretary of
the European Trade Union
Confederation (ETUC)*





Ukraine must win the peace

by Felix Hett

Well into the fifth year of Russia's full-scale war against Ukraine, the prospects for peace remain dim. Even if a ceasefire were to be announced tomorrow, anything remotely resembling a just peace for Ukrainians seems far off. With millions displaced, thousands killed, many more scarred physically and psychologically, and around 20 per cent of Ukraine's territory remaining under Russian occupation, it is very clear that an end to the fighting might bring relief, but will only be a first step in rebuilding peace.

Four years of war have shown that there are no quick fixes, no grand solutions and no easy ways out. Putin was not able to capture Kyiv in a couple of days, Zelenskyy was not able to liberate Ukraine's territories in a few months, and Trump was not able to bring peace in 24 hours. The conflict that essentially arose with Ukraine's independence, and that then turned into a war in 2014 and escalated in 2022, is here to stay. It might change its form and become less deadly – but its essence, the Russian challenge to Ukraine's right to exercise its sovereignty, will remain. European strategic thinking needs to start from this baseline.

While too many of the strategic debates over the last four years have circled around finding a quick fix, identifying game-changing weapon transfers and pursuing maximalist aims, bureaucracies have efficiently administered the status quo. The latter, though, seems increasingly unsustainable, first and foremost for Ukraine. More and more, **it is becoming clear that all possible paths out of the war are imperfect, with some being less bad than others – but none of them ideal.**

The challenge is to transform the status quo in line with Europe's strategic interests: to preserve and expand Ukraine's sovereignty and to reduce and eventually end the fighting.

The European strategy has roughly consisted of three main elements so far: firstly, sanctioning and isolating Russia, with limited success in an increasingly multipolar world. Secondly, supporting and arming Ukraine. And thirdly, investing in Europe's own defence capabilities. Increasingly, policymakers now acknowledge that a fourth component needs to be added: diplomatic engagement with the adversary – Moscow – not to replace one of the previous three elements, but to supplement them.

Diplomacy is a cultural technique invented to speak to enemies, not to friends. If Europe were to re-engage diplomatically with Russia, one should not fear that this would amount to caving in to Russian demands, nor should one hope for quick breakthroughs. Diplomatic engagement might, however, help to reduce escalation risks, avoid missing opportunities to find a way out of the war, and bring European nations closer to 'the seat at

the table' that they have so far unsuccessfully demanded from the Trump administration.

► *Neoliberal pipe dreams of unleashing market forces from bureaucratic burdens in Ukraine risk undermining this impressive cohesion. If the social fabric frays, Ukraine's long-term capacity to resist external pressure will weaken.*

European support for Ukraine must continue, regardless of the outcome of diplomatic talks. So far, arms deliveries and macro-financial support have been immensely successful: Ukraine stands its ground and defends its sovereignty, and the state continues to function. Ukrainian society has shown outstanding resilience, not least in the harsh winter, amid blackouts and heating disruptions caused by a systematic Russian bombing campaign.



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The challenge for the future is to preserve this social cohesion, which is especially strong on a horizontal, people-to-people level. **Neoliberal pipe dreams of unleashing market forces from bureaucratic burdens in Ukraine risk undermining this impressive cohesion. If the social fabric frays, Ukraine's long-term capacity to resist external pressure will weaken.**

► *If the war ends, Ukraine is in many senses too big to fail, or too important to lose the peace.*

For progressives, this point is crucial. Sustainable peace cannot be built on a hollowed-out state and an exhausted society. Support for housing, energy affordability, healthcare, education and veterans' reintegration is not secondary to security – it is part of security. The European Union should embed social cohesion into a coherent resilience strategy.

Europe's interest should be clear: whatever imperfect peace can be achieved, Ukraine

must win it. Countries can win wars but lose the peace – a feeling prevalent in the UK after the first world war, which led the Labour Party to avow in its 1945 election campaign that "this time, the peace must be won". **If the war ends, Ukraine is in many senses too big to fail, or too important to lose the peace.** Whether it remains a candidate country at the doorstep of the European Union, or a member state in the high-tech many Ukrainians hope for, the country should become an economic and social success story. It is only from a position of military, economic and societal strength that Ukraine can withstand the pressure of neighbouring Russia, which in all likelihood will remain adversarial for the foreseeable future.

In pursuing this aim, Brussels must review its previous policies: can standard, one-size-fits-all enlargement conditionalities really apply? All policies should be reviewed with one guiding question in mind: will this strengthen or weaken Ukraine? Answers here are not easy. Ukraine, after all, also poses competitive challenges to business interests inside the EU. These European business interests will also push for preferential access to post-war recovery tenders.

Here it is of utmost importance not to prioritise the short-term profit, but the long-term interest of Europe, including Ukraine.

Since gaining independence in 1991, Ukraine has experienced more than 30 years of industrial decline. The structure of its economy has become more primitive – from (Soviet) short time frame to exporting unprocessed goods. This trend needs to be reversed: an industrial economy with a skilled workforce and a strong fiscal base is a partner that Europe needs. A depopulated exporter of raw materials would form a much weaker neighbour and would likely also be much more unstable politically. In the past, the EU has resisted Kyiv's modest attempts at industrial policy, such as the country's export ban on wood to revive the timber industry. Although this ban was introduced in 2015, at a time when war was already raging in the east of Ukraine and the country's economy was contracting, the EU deemed it a violation of Ukraine's association agreement and European free trade rules. The EU should not go back to this kind of short-sighted policy.

By contrast, the EU should consider creating incentives for displaced Ukrainians to return home. Small grants programmes for resettlement might be helpful. Of course, most important are the domestic conditions. These are not only shaped by the rule of law and a business-friendly environment, but also by the availability of kindergartens, quality healthcare, good schools and well-paid, decent jobs. In the face of a severe demographic crisis and an acute labour shortage, Ukraine needs its citizens to return. It is in the EU's strategic interest for Ukraine to remain a country worth going back to.

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Ending the US democratic experiment?

by Mario Del Pero

Pundits and experts have often urged EU policymakers to focus on US President Donald Trump's actions rather than his rhetoric – on what he does, not on what he says. This injunction is, however, deeply problematic. The US presidential pulpit possesses a unique pedagogical power, whether constructive or corrosive. The words of the US president – the most powerful political actor in the world – help define the boundaries of the thinkable and the sayable: what can be publicly imagined, articulated and ultimately legitimised. This includes scenarios once considered unthinkable, such as armed conflict with US allies over Greenland, the transformation of Venezuela into an American protectorate, or the imprisonment of domestic political opponents.

Yet during Trump's second presidency, rhetoric has very often been matched by policy. By reshaping the normative landscape, Trump has made the previously unthinkable available for serious consideration, lowering the threshold of what institutions and citizens alike are willing to tolerate.

This convergence is particularly evident on the domestic front, where Trump's project can be interpreted, at best, as an effort to significantly rebalance institutional power in favour of the executive branch and, at worst (and more correctly), as an explicitly authoritarian endeavour aimed at bringing the US democratic experiment to an end. During the first year of the second Trump presidency, this project has had five distinctive traits.

The first of these is the intensive use of presidential power. In the span of a single year,

Trump issued 229 executive orders, a figure approaching the total number promulgated by Barack Obama over two full terms (276 executive orders) and significantly exceeding those issued by Joe Biden during four years (162). Despite Republican control of both the House and the Senate, Congress has been effectively sidelined. Apart from mandatory budget legislation, no major laws have been enacted, and the 119th Congress (2025-2027) is on track to become one of the least productive in the modern era. **To date, the judiciary has emerged as the primary institutional counterweight to this expansive use of executive authority.** Federal district and appellate courts, as well as specialised judicial bodies such as the New York-based Court of International Trade, have repeatedly intervened to block or suspend executive orders and presidential actions. In doing so, they have triggered a far-reaching constitutional confrontation that will almost certainly

require resolution by the Supreme Court. In 2026, the Court was called upon to issue decisions of exceptional consequence, as in the case of the constitutionality of Trump's tariff, on which, in February, it ruled that the International Emergency Economic Powers Act (IEEAP) does not give the president authority to impose tariffs.

The second defining feature of Trump's authoritarian turn lies in his full embrace of the unitary executive doctrine, which holds that the president possesses sole and exclusive authority over the executive branch. In practical terms, this interpretation dramatically expands presidential latitude in dismissing officials without congressional consent, exempting the executive from oversight and supervision, and reducing – if not eliminating – the autonomy and independence of executive institutions and federal agencies. One of Trump's earliest actions was the mass dismissal of inspectors

- ▶ *The third defining feature of Trump's authoritarian turn is the deployment of both verbal and material violence against a broad category of 'political enemies'.*



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general across multiple departments, a move that signalled the systematic dismantling of internal mechanisms of accountability. To date, this approach has resulted in the effective erosion of the autonomy – and the overt political weaponisation – of the Department of Justice, as well as in direct and unprecedented attacks on the independence of the Federal Reserve. Together, **these actions reflect not merely an aggressive interpretation of executive power, but a structural effort to subordinate key institutions to presidential authority.**

The third defining feature of Trump's authoritarian turn is the deployment of both verbal and material violence against a broad category of 'political enemies', including universities, law firms, individual public officials and international students. This violence has served a dual function: intimidation and retribution. It has been used to repress and stifle dissent – most visibly in the targeting of students involved in protests over Gaza – and to punish past or

present adversaries of Trump and his political project. This logic of retaliation is evident in the investigations and public attacks directed at figures such as former FBI Director James Comey, New York Attorney General Letitia James, Federal Reserve Chair Jerome Powell, as well as less prominent but symbolically significant officials such as Christopher Krebs, the cybersecurity expert who publicly affirmed the integrity of the 2020 vote.

Fourth, Trump's authoritarian turn is reflected in the aggressive escalation of anti-immigration policies, aimed at arresting and deporting large numbers of people residing in the United States without legal authorisation. This effort has often been pursued through practices that amount, in effect, to a suspension of *habeas corpus* protections, alongside the expansion of discretionary powers granted to the principal federal enforcement agency, the US Immigration and Customs Enforcement (ICE). ICE's budget was dramatically increased in

the federal budget – the bizarrely named 'Big Beautiful Bill' – approved in July 2025, and over the course of a single year, the agency more than doubled its number of agents; current plans project a further expansion that would bring its personnel to roughly 50,000 by the end of Trump's second term. Empowered with what amounts to a near-free hand in the coercive pursuit of alleged 'illegal' migrants, and increasingly recruited on the basis of explicit political and ideological alignment with the administration – "America has been invaded by criminals and predators; we need YOU to get them out", proclaims the recruitment advertisement on ICE's website – the agency has been profoundly transformed, becoming both the symbol and the instrument of the Trump administration's highly discretionary and punitive immigration policy: a heavily politicised security apparatus, operating with limited oversight and increasingly positioned as a direct extension of presidential authority rather than as a neutral arm of the federal state.



Finally, **federal security apparatuses – including federalised National Guard units – have been systematically mobilised in cities and states governed by Democrats.**

These deployments have been justified as efforts to restore law and order, but their political logic is more revealing: they are intended to reassert federal – and specifically presidential – authority over state and municipal governments that have openly opposed or resisted Trump's policies.

► *Trump's central objective has been, and remains, the symbolic and material 'purging' of the national body from the alleged 'impurities' that, in his own words, 'poison' it – a vicious metaphor he employed during the electoral campaign.*

These authoritarian methods and policies have served multiple, interrelated political objectives. They have been used to radically dismantle the federal government by shutting down agencies and programmes and by dismissing hundreds of thousands of federal employees; to remove or weaken regulatory frameworks, particularly in the realms of finance and environmental protection; and to reverse many of the measures introduced by the Obama and Biden administrations, including their effort to expand and consolidate the social safety net. One overarching goal, however, deserves particular emphasis. **Many of these policies and practices stem from MAGA's deeply racialised and essentialist conception of what the United States is – and ought to be – as a nation.**

This vision amounts to a form of racial nationalism that stands in sharp contrast to the civic and constitutional nationalism often invoked in more progressive and normative interpretations of the United States as an intrinsically 'unfinished', and continuously evolving, national project. **Trump's central objective has been, and remains, the symbolic and material 'purging' of the national body from the alleged 'impurities' that, in his own words, 'poison' it – a vicious metaphor he employed during the electoral campaign.**

Trump's immigration policies cannot be fully understood without recognising the nativist and white supremacist logic that underpins them. This logic is evident in other domains as well – the proportion of minorities appointed to high-level federal positions is the lowest since the Nixon administration – but it finds its most explicit and consequential expression in the administration's draconian anti-immigration initiatives. It is visible in the rhetoric used to justify these policies, in their legal and institutional architecture, and above all in the role, organisation and modus operandi of ICE, which has emerged as a central instrument in the enforcement of this racialised vision of national belonging.

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SPECIAL COVERAGE

MIGHT OVER RIGHTS: POWER POLITICS IN THE 21ST CENTURY

In geopolitics, 2024 has started on a rollercoaster – from the abduction of the Venezuelan president to the open US threats to 'take' Greenland, be it by force, be it by trashing NATO, to the US-Israeli war on Iran. And yet, in an eerie sense, none of this is entirely unexpected.

Rather, it seems a logical continuation of a shift that has been in the making, at least since Russia invaded Ukraine four years ago: from a rules-based international order (imperfect as it has always been) to one of a few superpowers and their zones of influence.

As well as a prevailing new sense of insecurity, this shift also brings a host of consequences: trade, once governed by a set of shared rules, has become an

instrument of domination through tariff-threats that are constantly tossed about; the UN is increasingly reduced to a forum that registers the wishes of competing superpowers; and the climate catastrophe has all but disappeared from the international policy agenda.

This edition's Special Coverage seeks to gauge what comes next. What new world order is in the making? Or is the endgame of what we are currently living through the simple law of the strongest – in other words: disorder?



'No to war': more than a Spanish slogan – a universal cry as Europe fails to act

by Hana Jalloul

On 27 February, the United States and Israel attacked Iran without the approval of the UN Security Council and in violation of Article 2 of the United Nations Charter. Both governments justified the operation as a 'preventive strike', a concept that does not exist in international law.

The bombings took place just hours after Iran had accepted, in negotiations with the United States mediated by Oman, concessions such as not storing enriched uranium. The imminent threat invoked by Israel and the US before launching the attack contradicted the International Atomic Energy Agency, whose inspectors had stated that they had found no evidence of a systematic programme to build nuclear weapons. It is true that Iran had enriched uranium to 60 per cent purity, far above civilian requirements, and that the growth of its stockpiles and the restrictions placed on inspectors' access remained a matter of concern. But mere concern does not justify a preventive war. International law exists precisely to draw that line. Sanctions and diplomatic means should be put in place.

After the attacks came the disappointing statements from the President of the European Commission, Ursula von der Leyen; the High Representative for Foreign Affairs, Kaja Kallas; and the President of the European Parliament, Roberta Metsola. None of them

did what academics, jurists and Europeanists expected: condemn an illegal unilateral military attack. Instead, **European institutions chose to take refuge behind the violence of the Iranian regime. A violence we have condemned and still confront politically within the European Union.**

It is worth recalling that **last January, the European Parliament adopted, with a large majority, a resolution in support of the Iranian people. The resolution condemned the violence of the regime, promoted a process of dialogue among Iranians to determine their own future and called for sanctions as well as for the designation of the Revolutionary Guard as a terrorist organisation.** It is indeed possible to denounce the Ayatollahs' regime, to condemn its violence and at the same time to condemn the US-Israeli attacks on Iran: one does not exclude the other.

Yet the selective application – or outright abandonment – of international law by the

European Union has weakened the European project. Today, the positions of member state leaders carry more weight than the voice of the Union itself.

In this context, Pedro Sánchez and his strong stance against the war with his clear statement 'no to war' have once again become a beacon of hope for citizens who reject war and injustice, and who refuse to abandon the long period of peace that Europe has experienced for decades. The Spanish prime minister's refusal to allow Spanish military bases in Morón and Rota to be used for unlawful attacks, under the 1988 defence cooperation agreement between the United States and Spain, has marked a clear stance. His calls for diplomacy, his condemnation of the attacks on Iran while urging de-escalation and his commitment to consider support measures for citizens who might suffer the consequences of war, have mobilised millions of people around the world through public statements and social media.

- *The positions of member state leaders carry more weight than the voice of the Union itself... Pedro Sánchez and his strong stance against the war with his clear statement 'No to War' have once again become a beacon of hope for citizens who reject war and injustice, and who refuse to abandon the long period of peace that Europe has experienced for decades.*



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In response, Donald Trump's threats of possible trade reprisals against Spain remained little more than rhetoric. The European Union invoked its trade competencies and reacted firmly for the first time since the attacks.

But the lesson is another. **A strategy of permanent caution and fear of calling things by their proper name has not made the United States take the European Union more seriously.** The most striking example came with the US-decision to lift sanctions on Russian oil, directly harming Ukraine and undermining the policies the European Union has pursued since Putin's invasion.

The question is therefore unavoidable: what future does a European Union have if it appears willing to abandon the international order that it has helped to build since 1945?

While Europe deliberates, the Middle East bleeds. In Iran, more than 1,300 people have been killed. Among them are 165 girls who were at school when the attacks began.

Israel's Prime Minister Benjamin Netanyahu continues his regional offensive to strengthen

his political position ahead of the coming elections, at the expense of Israeli citizens' security. In Gaza, Israeli authorities have closed all border crossings, suffocating a population that is still processing the grief of more than 72,000 people killed. In the West Bank, the Israeli government has approved legal and administrative measures that include changes to land registration and sales, greater control over resources and authority in areas A and B – according to Oslo accords –, and the transfer of municipal powers in Hebron to the Israeli civil administration. **These measures amount to a de facto annexation of the territory, reinforce illegal settlements and settler violence and directly contradict the two-state solution that the European Union itself claims to defend.**

In Lebanon, Israel has devastated the south of the country and bombed the capital. The attacks have caused more than 680 deaths, including almost 100 children, and displaced more than 800,000 people as part of its operation against the pro-Iranian group Hezbollah, a terrorist militia responsible for instability and Israeli threats to Lebanon's territorial integrity.

This brutal escalation comes at a particularly delicate moment, as the Lebanese government had, for the first time, begun the initial stages of Hezbollah's disarmament.

The violence is also spreading to Iraq. And Gulf countries are intercepting Iranian missiles that have already caused around a dozen deaths and threaten the stability of the Arabian Peninsula and European security. As the region trembles and Donald Trump continues to contradict himself about how long the operation will last in order to ease the energy crisis it has triggered, we democrats will continue to look to Spain in the absence of strong European voices. Meanwhile, innocents continue to pay the price – minute by minute.

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A tripolar entente and the collapse of legal constraint

by Eyal Benvenisti

The UN Charter promised that sovereignty would no longer be decided by conquest, coercion, or great-power bargains. Eighty years later, that promise is being quietly undone by the UN Security Council itself. On 31 October 2025, in a vote that attracted little public attention, the Council endorsed Morocco's 'autonomy plan' for Western Sahara. Buried in technical language, the Council blessed a territorial arrangement that denies a people – the Sahrawis – their widely recognised right to self-determination. This resolution was the harbinger of an unsettling order that is now taking shape.

In the footsteps of this endorsement came, on 17 November 2025, another Council resolution. Endorsing a US-brokered 'comprehensive plan' to end the war in Gaza, the resolution created an international 'board of peace' with its own international legal personality, headed personally by Donald Trump, with a discretionary mandate to oversee transition arrangements – and, in the interim, the lives of millions of Gazans. Whatever one thinks of the plan's merits, the institutional message is stark: **self-determination becomes conditional, to be supervised, managed and possibly postponed indefinitely, and administered by outsiders, not even UN organs, accountable to no one.** Two months later, President Trump revealed a broader ambition: to expand the mandate of the board to address conflicts around the world, that is, to erect "a more nimble and effective international peace-building body" than the Security Council. The UN was repurposed to endorse the hollowing-out of the rules-based order and, with it, its own authority.

What convinced the members of the Security Council to give up both its foundational principles and its institutional responsibility? The answer: a tacit agreement between the three nuclear-ready powers, enabled by intimidated middle powers and smaller states.

► *The Security Council is being repurposed as a forum for managing rival spheres of influence, disguised as law.*

This reflects the world we live in: **a tripolar era dominated by the United States, China and Russia. Under the shadow of their rivalry, the three share a converging interest: exploiting the vulnerabilities of other states while trading tolerance for one another's territorial preferences.** China presses its claims in

the South China Sea and expects international silence on Taiwan; Russia invokes territorial integrity even as it redraws borders in its own neighbourhood and beyond; the United States acts as if it owns, or is entitled to own, the entire Western Hemisphere, and speaks openly of protecting access to 'key geographies'. In this endeavour, **the Security Council serves as a forum for managing rival spheres of influence, disguised as law.**

The powers of this tripolar world mostly tolerate one another's spheres of influence; but they also test opportunities to enlarge them at one another's expense, often by striking below the threshold that would trigger direct retaliation. Russia's seizure of Crimea in 2014 was such a move: a territorial revision executed swiftly enough, and ambiguously enough, to avoid an immediate military response from the West. The US attack on Iran (an ally of both China and Russia) in June 2025, and the intervention in Venezuela in early 2026,



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reflected a similar gamble that the other members of the entente would protest but ultimately stand aside. Venezuela is especially revealing because the intervention was quickly followed by efforts to reorder access to the country's strategic assets, showing how sphere-building may also involve depriving rival powers of economic footholds and political influence. Such episodes can look, at first, like evidence that a world beyond law is manageable – that calibrated coercion, opportunistic revisionism and selective restraint can be combined into a stable informal bargain among great powers.

This appearance is profoundly misleading. Initial success breeds strategic overconfidence. Crimea helped encourage the larger Russian assault on Ukraine in 2022, and the same dynamic now appears in relation to Iran: what seemed, in June 2025, to be a limited strike below the threshold of systemic escalation became, by March 2026, a trigger

for regional war with potentially global consequences. The lesson is that **an order not grounded in law is not merely unjust: it is brittle. By replacing rules with improvisation and mutual intimidation, it invites precisely the misjudgements that turn local opportunism into wider conflagration.**

But what of the lesser powers? The striking fact is that many remain silent, defer in the Security Council and other multilateral bodies, and thus acquiesce in the normalisation of aggression even as it makes their own borders less secure. One explanation for the remarkably subdued reactions to the attacks in Venezuela and Iran, and for such deference in the Security Council, lies in the madman theory practised by the three entente leaders. **By cultivating reputations for volatility and disproportionate retaliation, they raise the expected costs of collective resistance and thereby undermine the willingness of lesser powers to act in concert.**

► *The atmosphere of purposeful unpredictability erodes the very conditions under which inter-state cooperation is possible.*

This is because the tripolar entente is not only about creating protectorates and disrespecting the sovereignty of others. It also thrives on volatility, unpredictability and lack of accountability. The US president advertises unpredictability as a bargaining tool. He cultivates uncertainty about his red lines, threatens and then reverses, while constantly making outlandish challenges to established principles and historic alliances. Russia resorts to ambiguous, liminal coercion through deniable use of drone swarms, cyber operations and undersea disruptions that test thresholds while blurring attribution. China incrementally transforms South China Sea islands into fortified fortresses, while making simulated or symbolic armed attacks against its neighbours. This collective espousal of the 'madman theory' carries a deeper cost for all, but first and foremost for lesser powers that depend on cooperation to be able to withstand pressure. **The atmosphere of purposeful unpredictability erodes the very conditions under which inter-state cooperation is possible.**



International politics is not a one-shot encounter. It is played out in an indefinitely repeated game among repeat players. **Sustaining cooperation requires an infrastructure of order that creates a 'shadow of the future' in which restraint is rewarded, and violations are punished.** Robert Axelrod's classic insight about the evolution of cooperation hinges on predictability: credible commitments and credible consequences must be communicated clearly and consistently enough that actors can coordinate expectations around them. Volatility breaks this mechanism. Conditional cooperation collapses, and everyone shifts toward short-term defensive strategies, as if relationships and rules might end abruptly. The twelve other members of the Security Council cannot help but join the big three to vote the Security Council out of business.

International law is one of the system's crucial 'clarity devices'. It provides focal points that stabilise expectations. In a volatile system, commitments to cooperate wobble, and the temptation to treat law as flexible and institutions as expendable becomes overwhelming.

The sovereignty system is not being toppled in a single dramatic rupture. It is being worn down through repetition: a handful of UN resolutions few bother to read, a series of unilateral acts that defy collective imagination, and a steady normalisation of 'exceptions', until suddenly the world is deprived not only of legal constraint but of the predictability that makes cooperation and restraint possible.

We are living in a state of exception – one in which law is still cited, institutions still convene, but legal substance has been quietly suspended. This can cause enormous harm. What it cannot do, ultimately, is to remake the law in its own image. **There can be no stable international order not grounded in sovereign equality and the right of peoples to determine their own political future.** Those principles are not naive idealism; they are the hard-won conclusions of more than a century of catastrophe. The current arrangement – coercive, unpredictable and contemptuous of the rules it invokes – is too brittle to endure. The least we can do, in the meantime, is to refuse to mistake it for law.?



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Lessons from Iran: Europe must be ready to shape the new world order

by Tim Haesebrouck

What does the war against Iran say about Europe's role in the emerging world order? Small, marginal and preferably invisible! Or so it seems from the reactions of European leaders. Yet for Europe, too much is at stake to be satisfied with a role on the sidelines.

European capitals are struggling to articulate a clear position on the war of the United States and Israel against Iran. Positions generally range from a reluctant approval of the weakening of the ayatollah regime to cautious calls for restraint and respect for international law. No European country has joined the military attack on Iran. However, with the notable exception of Spain's Prime Minister Pedro Sánchez, neither have European leaders clearly opposed the attack. Overall, Europe plays only a limited role in shaping events.

► *The war against Iran has immediate implications for European security and stability. Cyprus, an EU member state, has already been targeted.*

The consequences for Europe, however, are clear and tangible. **The war against Iran has immediate implications for European security and stability. Cyprus, an EU member state, has already been targeted.**

The escalation in the Strait of Hormuz has pushed energy markets into turmoil, while instability in the Middle East increases the risk of terrorism and renewed migration pressure on Europe. These developments could quickly reverberate through European politics, where debates about security and migration already shape domestic agendas in many member states.

The indirect consequences may prove even more significant. **Rising oil prices and Washington's recent decision to ease restrictions on Russian oil provide Moscow with additional resources to sustain its war against Ukraine.** At the same time, the widening conflict in the Middle East risks diverting American political attention and military resources away from Ukraine. The situation contains a striking irony: Russia shares intelligence with Iran, while Ukraine helps the United States by providing technologies to intercept Iranian drones. Yet the geopolitical consequences of the conflict may ultimately strengthen Moscow's position while weakening that of Kyiv.

The United States is pursuing a military operation that directly threatens European interests and risks undermining Europe's most important security priority: supporting Ukraine against Russian aggression. But despite these stakes, Europe remains largely on the sidelines.

| A DIFFERENT EUROPE FROM 2003

The contrast with just under a quarter of a century ago could hardly be more stunning. In 2003, the Iraq War split Europe into two camps. One offered strong military and political backing to Washington. The other strongly opposed the invasion. The transatlantic rift was deep and public. Today, European positions are far less polarised. Most governments neither strongly support Washington nor openly oppose it. Unlike in 2003, no European country is willing to participate in the US war against Iran. Europe appears to have internalised the lessons of regime change operations in Afghanistan, Iraq and Libya. The appetite for military adventurism has faded.



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► *It is in Europe's interest to be consistent in defending the principle that war is not a legitimate instrument of policy.*

At the same time, with the notable exception of Spain, European leaders have also avoided clearly condemning the operation. In 2003, Belgium, France and Germany openly defied Washington. They were derided as part of the 'axis of weasels'. French fries became 'freedom fries', and there were even threats to relocate NATO headquarters after Belgium expanded its universal jurisdiction law, which could have exposed members of the Bush administration to prosecution. Yet despite the acrimony, few doubted that NATO would endure. Transatlantic divisions were ultimately contained.

| A DIFFERENT WORLD ORDER

Today, the geopolitical context is very different. **With war on its own continent, a tangible Russian threat and a far less reliable United States, European leaders are much less willing to risk antagonising Washington.** These constraints reflect a broader shift in the international system. The US war against Iran illustrates that the emerging world order is not Europe's world order.

A global order increasingly shaped by military force rather than by rules, multilateralism

and reliable alliances creates particular vulnerabilities for Europe. **As a union of mostly small and medium-sized states, Europe cannot compete with great powers solely on military strength.** It depends – more than the other, more traditional, great powers – on diplomacy, international institutions and the strength of norms that constrain the use of force.

Europe therefore faces a clear strategic reality. To resist a world order increasingly shaped by military force, it will need more military power of its own. **In an international system marked by growing security dilemmas, an actor without hard power risks being the actor that ultimately loses.** Strengthening Europe's defence capabilities and reducing strategic dependence on the United States will therefore be unavoidable. Yet this military power should not be used just to participate in a world where might makes right. Precisely because Europe cannot dominate the geopolitical chessboard through raw power alone, it must use its power to defend and strengthen the rules that constrain the use of force. The goal should not be to adapt to the emerging order, but to shape it actively in a direction more consistent with European norms and interests.

| SHAPING THE NEW ORDER

For now, Europe must choose its battles carefully. It cannot afford to jeopardise the transatlantic alliance, on which its security still depends. At the same time, **it is in Europe's interest to be consistent in defending the principle that war is not a legitimate instrument of policy.** That means openly stating when norms are violated, supporting broad coalitions in the UN General Assembly to reaffirm the prohibition on aggression, and resisting the gradual normalisation of preventive or punitive wars of choice.

Only by strengthening its military capabilities and reducing its dependence on the United States can Europe become the normative power needed to shape the world order in line with its interests and values.

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Fictional Davos: When 2+2 equals Trump

by Renata Zilli

At this year's World Economic Forum in Davos, two visions of the global order collided. US President Donald Trump declared the world stronger; the Canadian Prime Minister Mark Carney warned it was more fragile. Their clash reveals how trade, once governed by shared rules, is increasingly shaped by contradiction – and why an egalitarian liberalism must be reclaimed as a politics of agency.

It has become a cliché, almost a reflex, to begin an analysis of global disorder with Dickens's opening line in his novel *A Tale of Two Cities*: "it was the best of times, it was the worst of times". With minimal effort, this quotation signals that a contradiction is about to be explored. Almost a decade ago, in 2017, the line also crowned Xi Jinping's well-received Davos address, in which he celebrated the global economic order while acknowledging its incongruities. This year at Davos, I was struck by the fact that the contradiction was embodied by two individuals. Two opposing ways of understanding the current state of the global order: Donald Trump and Mark Carney.

- ▶ *Globalisation created enormous wealth, but it was captured by only a few at the expense of the many, the environment and, for many, the perceived erosion of national identities.*

Yet the Canadian Prime Minister's worldview is nothing new. For decades, both the left and

the right have been calling out flaws in the system. From the left, the critique was sustained primarily by the fact that **globalisation created enormous wealth, but it was captured by only a few at the expense of the many, the environment and, in the eyes of some, national identities**. While these were genuine concerns, some versions of the liberal left abandoned their egalitarian focus, instead directing their criticism and rebellion towards grievances based on biological and individual traits, such as gender, race, or both. The result provoked a major shift in world politics: the subject of history was no longer the hero but the victim, as the philosopher Susan Neiman argued in her book *Left Is Not Woke*.

From the right, the critique of globalisation followed a different path. Its concerns were less focused on redistribution and more on a sense of loss of control over their sovereignty and borders, and on displacement from their traditions and communities. Borrowed from the illiberal left, the right repackaged victimhood as a political mechanism of defence against the broken promises of prosperity that liberal globalisation was meant to deliver. The right's ambition consequently shifted from a purely conservative

stance to becoming reformists of the social order, aiming to replace it with what the political theorist Patrick Deneen has described as a post-liberal 'common-good conservatism'. As a result, the traditional distinctions between left and right began to blur, as each became illiberal in its own form.

- ▶ *In Trump's world, institutions matter instrumentally, only to the degree they serve the powerful.*

What separates Carney from Trump's view of the world is not a geographical but an axiomatic border. In other words, a border between the principles they uphold – particularly those on which institutions are grounded. **In Trump's world, institutions matter instrumentally, only to the degree they serve the powerful.** In his view, repeated ad nauseam, the international trade system is not under structural strain but merely distorted by bad deals and weak leadership – a condition he claims to have corrected alone in less than a year.



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Another 20th-century British writer, George Orwell, coined the term 'doublespeak' to describe a political language in which words are used not to reveal reality but to obscure it. **In Trump's narrative, fragmentation is portrayed as strength, coercion as leadership, and trade protectionism as a source of rising living standards.** Yet today, far from being stronger, the international institutions are more fragile and vulnerable. Without clear rules, the global economy is becoming more unstable, and the costs are borne by those least able to absorb them. Mark Carney's remarks were met with an ovation at Davos, not because they were novel, but because he named the fiction.

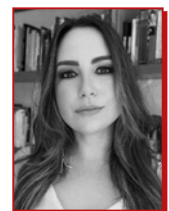
In the realm of international trade, the multilateral trade system that emerged in the post-war period developed its own trade-speak. Free trade often concealed protection for powerful sectors; fair trade evaded the question of who actually benefitted; and openness became a moral claim, even as its costs were unevenly distributed. Over time, these incongruities were cemented in policies that consistently underdelivered. International

trade is not solely to blame; rather, the focus was lost: the objective became expanding trade volumes year after year, rather than ensuring that trade gains were broadly shared across society.

There's a strain of the left that has always shied away from calling itself liberal, particularly in contexts where liberalism is associated with the right. Yet **one indisputable feature of a liberal project – across the ideological spectrum – is that individuals, like nations, are not destined for subordination.** They retain the agency and capacity to shape their economic and political futures. A system that replaces equal treatment with permanent exceptions may appear pragmatic, but it does not reform; it regresses. Carney is right that we should not mourn the world order that is gone. The task, instead, is to uphold these principles as the bedrock of a more ambitious and equitable global order.

At the time of writing the author was Researcher at ECIPE. The view expressed in this article are those of the author and do not reflect the official position of the government of Mexico.

▶ *One indisputable feature of a liberal project – across the ideological spectrum – is that individuals, like nations, are not destined for subordination.*



*Renata Zilli,
Director for Europe,
Undersecretariat for
Foreign Trade, Mexico*

The EU must pursue climate action in an increasingly geopolitical world

by Stefan Sipka

We are witnessing a surge of geopolitical rivalries, increasingly fuelled by climate change and undermining global climate efforts at the same time. The EU must stay true to its climate ambitions and find ways to navigate through the new global (dis)order.

Europe is witnessing a tectonic rift in the international order, triggered by the Russian invasion of Ukraine, trade tensions with China, and US policies under Trump 2.0. **The Greenland crisis demonstrates a sharp shift from an already deficient international order to a ruthless global arena where might makes right.** While debating the sorry state of world affairs, one should not overlook the interplay between the changing global order and climate action.

► *The Greenland crisis demonstrates a sharp shift from an already deficient international order to a ruthless global arena where might makes right.*

Man-made climate change continues to have severe impacts on our economy and society. The world is not on track to limit global warming to 1.5°C, the level needed to avoid severe future consequences of climate change. Over

the past decade, weather-related disasters have displaced 250 million people, and 3.6 billion people continue to reside in areas of high climate vulnerability. Climate change can also act as a security threat multiplier. The strategic importance of Greenland, for example, increases as Arctic sea ice melts due to climate change. Consequently, the surrounding waters become more navigable for commerce and the navy while valuable minerals become more accessible, prompting Russia, the US and China to wrestle for influence over this 'new frontier'. **The US-EU dispute over Greenland was clearly driven by Trump's territorial aspirations and cannot be justified by the Arctic's geopolitical sensitivity.** However, climate change helps pave the way for such a dispute and the dangerous narratives coming from the White House.

While climate change can exacerbate geopolitical tensions, geopolitics itself affects climate action. The result of last year's COP30 is far from what is needed to both halt and adapt to climate change, and geopolitics is arguably one of the reasons for such an outcome.

CLIMATE NEGOTIATIONS AFFECTED BY GEOPOLITICS

COP30 underdelivered on required commitments and made commitments that are unclear and difficult to interpret. The parties paid only lip service to the phase-out of fossil fuels – the main source of greenhouse gas (GHG) emissions – and could not agree on how to end deforestation. Furthermore, new commitments to triple climate adaptation finance by 2035 fall well short of estimated adaptation needs and do not specify a clear reference year for the calculation.

As COP negotiations moved from target setting to implementation, their deficiencies became apparent. Consensus-based and opaque decision-making prevents bold progress on global climate action. More broadly, **the lack of capacity to reach a consensus, and the inability to influence 'the unwilling' to follow the trajectory set out in the Paris agreement reflect not just opposing national interests, but also the polycentric nature of the contemporary global order marked by stark geopolitical rivalries.**



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In a world marked by wars, the revival of protectionism and the rise of illiberalism, it is no surprise that the security dilemma and the pursuit of immediate relative gains severely undermine multilateralism and concern for global commons. Many oil-producing countries continue to oppose the phase-out of fossil fuels, while the North-South divide over how to align climate action with developmentalist objectives continues to delay progress. **The US withdrawal from climate debates and commitments under Trump 2.0 dealt a critical blow to COP.** While China remains ambitious on climate, this is primarily linked to its exports of cleantech solutions backed by subsidies and other supportive measures to its industry. Driven by fear over the future of its own industry in an uncertain international setting, the EU showed a striking lack of ambition at COP30 compared to previous years, barely managing to submit its climate targets ahead of this latest conference.

► *Despite the geopolitical turbulence, climate action remains critical, given the costs of inaction – from the aggravation of existing and future geopolitical crises to the very survival of humankind.*

| WHAT SHOULD THE EU DO?

Despite the geopolitical turbulence, climate action remains critical given the costs of inaction – from the aggravation of existing and future geopolitical crises to the very survival of humankind. At the same time, expecting international fora such as climate COPs to close both the mitigation and adaptation gaps appears unrealistic in the new world we find ourselves in. Although they will remain crucial for ensuring accountability, there is a growing risk that they will evolve into largely performative, high-level gatherings delivering minimal tangible outcomes. Encouragingly, however, **parallel talks at COP30 hinted at a potential shift towards stronger plurilateral cooperation among 'coalitions of the willing', including on fossil fuel phase-out and carbon pricing.**

In order to pursue the climate agenda effectively, the first and most difficult step is to recognise the current situation, and factor it into future action. For the EU, this starts at home. The union must show its citizens, industry and the rest of the world that it remains on track regarding its own climate commitments. It must remain committed to its 2030 and 2040 targets, create an enabling regulatory and financial framework for its clean tech industry

to flourish, and advance fair transitional pathways for hard-to-abate industries, farmers and lower-income households.

On the international stage, **the EU should actively participate in regional and bilateral climate partnerships, including through coalitions of the willing facilitated by COP30, as well as the G7 and G20.** In doing so, the EU should rely on a combination of investments while safeguarding the legitimate interests of its own industry through instruments such as the Carbon Border Adjustment Mechanism. The EU should aim to reconcile its own climate objectives with the needs of other nations, namely by addressing climate impacts fairly, and advancing clean energy and industrial transitions in developing countries. In the case of China, the EU needs to play a delicate game of safeguarding its own economic interests while exploring possibilities to enhance climate-related collaboration. Finally, given the current political context in the US, priority must be given to partnerships with cities and states committed to ambitious climate action.

Given the US's reluctance to pursue climate policies, the EU should take the lead on climate action rather than abandon such commitments – especially since competitiveness and decarbonisation can go hand in hand. By upholding its climate commitments, strengthening social measures to cushion the decarbonisation cost for its most vulnerable citizens, and pursuing fair and effective bilateral and regional arrangements abroad, the EU can help reinforce the rationale for global climate collaboration, which could help give new impetus to future COP negotiations.

*Stefan Sipka,
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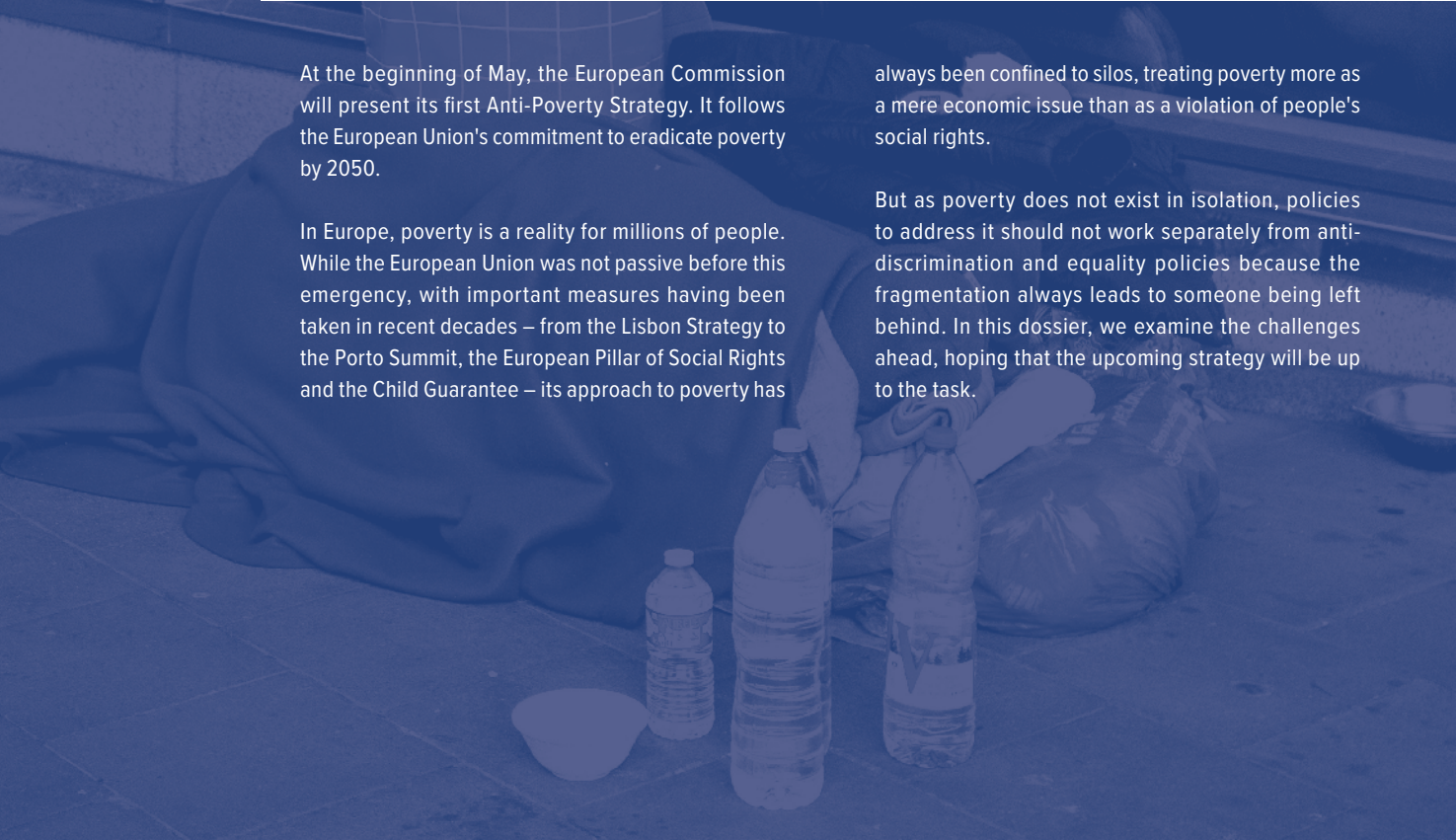
THE FIGHT AGAINST POVERTY IS A FIGHT FOR HUMAN RIGHTS

At the beginning of May, the European Commission will present its first Anti-Poverty Strategy. It follows the European Union's commitment to eradicate poverty by 2050.

In Europe, poverty is a reality for millions of people. While the European Union was not passive before this emergency, with important measures having been taken in recent decades – from the Lisbon Strategy to the Porto Summit, the European Pillar of Social Rights and the Child Guarantee – its approach to poverty has

always been confined to silos, treating poverty more as a mere economic issue than as a violation of people's social rights.

But as poverty does not exist in isolation, policies to address it should not work separately from anti-discrimination and equality policies because the fragmentation always leads to someone being left behind. In this dossier, we examine the challenges ahead, hoping that the upcoming strategy will be up to the task.



Poverty is not a fatality

by Nicolas Schmit

In 2024, more than 93 million Europeans, representing 21 per cent of the EU population were exposed to the risk of poverty, among them 19.5 million children. 7 per cent of Europeans suffer from severe material and social deprivation that does not allow them an adequate life, while 8 per cent of workers in the EU are considered 'working poor' – people who cannot afford a decent life from their work.

These figures are appalling and run counter to two major objectives of the European Union, namely to "combat social exclusion" and to "promote social justice and protection". The causes and levels of poverty may differ from one member state to another – but no member state, even the wealthiest, is without a poverty challenge.

The European Union has not been inactive. The 2000-2010 Lisbon Strategy aimed to combat poverty through the open method of coordination, which consists of setting common goals, benchmarking and sharing best practice. The Europe 2020 Strategy then set a quantified target for reducing the number of poor people (by 20 million). More recently, the Porto Action Plan, which was endorsed at the May 2021 Social Summit in Porto, committed the EU to reducing the number of people at risk of poverty or social exclusion by at least 15 million by 2030, with a key target of helping 5 million children out of poverty. **Since the last round of EU enlargement, the risk of poverty in the European Union has increased dramatically – from 16 per cent in 2007 to 21 per cent in 2024. It is unlikely that the objective of the Social Pillar Action Plan to reduce the number of poor people by 15 million by 2030 will be achieved.**

Important measures have been adopted since the Porto Social Summit in 2021: the minimum wage directive that seeks to guarantee adequate wages for a decent life; the recommendation on minimum income that aims to combat poverty and social exclusion by promoting adequate income, access to essential services and labour market integration; and the Child Guarantee, adopted in 2021, which pursues the objective of breaking the intergenerational cycle of poverty and social exclusion.

► *European societies are facing different but major challenges that exacerbate the risk of poverty and social exclusion.*

Despite some improvements, progress appears fairly modest. **European societies are facing different but major challenges that exacerbate the risk of poverty and social exclusion.** Low growth rates affect public budgets and tend to reduce social spending. Technological change excludes less-skilled

groups from the labour market. Precarious work particularly affects young people and migrants, as well as women, especially single mothers, who are often stuck in part-time work. Deindustrialisation affects numerous regions and increases structural unemployment, with general impoverishment as a lasting consequence.

These multiple causes of poverty weaken European societies, and exclude millions of people not only from general prosperity but also from contributing to general wealth. Indeed, the causes of poverty provoke new divides with dangerous political consequences. There is thus a need for a comprehensive political approach that takes into account all the different aspects and causes of poverty.

This approach implies better coordination between policies. It also requires a strong European cohesion policy with adequate resources and priority targets. Access to social services, strong skills and upskilling policies need to be available to the most vulnerable. Housing has become one of the most urgent social issues as it increases poverty and is becoming a major factor of exclusion. The EU should therefore contribute more to develop affordable housing.



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All this shows that **the European Union needs an Anti-Poverty Strategy that is comprehensive and multidimensional. Europe will not become more competitive with less solidarity and a growing number of excluded people.** It is also time to give up the 'trickle down' approach that simply legitimises growing inequalities and wealth concentration. In his book *The Great Divide*, Joseph Stiglitz writes about the major culprit being trickle-down economics: "if the rich get richer and use their talents and resources to create jobs, everyone will benefit. It just doesn't work; the historical data now prove that".

An Anti-Poverty Strategy cannot just rely on soft law and coordination as it did in the past. We need to build an adequate governance framework and address the root causes of poverty, as the S&D Group in the European Parliament proposes in its strategic paper. A European

anti-poverty law, including concrete objectives and resources with a precise timetable, should be the basis of such a strategy. The European Child Guarantee, initially proposed by the S&D Group, has multiple fields of action and is a valuable approach – but there is one essential condition: sufficient resources. The proposal to allocate €20 billion to implement the Child Guarantee is an important step. It represents a social investment, making our societies stronger and fairer by creating equal opportunities.

Announcing the eradication of poverty by 2050 may be an ambitious goal – but it is a valuable one. It means that at least 4 million people should no longer be exposed to poverty each year. To achieve this objective, declarations are not enough: action is needed, as well as innovative approaches. This includes a more ambitious and better organised EU multiannual financial framework.

▶ *The European Union needs an Anti-Poverty Strategy that is comprehensive and multidimensional. Europe will not become more competitive with less solidarity and a growing number of excluded people.*



Nicolas Schmit,
FEPS President

Poverty is the result of political choices

by Marit Maij

On 12 February, MEPs voted on a report led by rapporteur João Oliveira from the European Parliament's committee on employment and social affairs (EMPL). The report proposes an ambitious new EU Anti-Poverty Strategy that calls for the eradication of poverty in the EU by 2035.

Vice-President of the European Commission Roxana Minzatu will present the Commission's Anti-Poverty Strategy before the summer of 2026. The S&D Group's input provides the Commission with a number of good, implementable suggestions and proposals.

► *People who experience poverty must be involved from the start in shaping every measure. No policy should be made without them.*

Nowadays, the European Commission and the European Council focus mostly on security and competitiveness. Both topics make sense in the volatile world in which we live. However, security does not just mean physical security and a strong competitive economy. It also means security in daily life: strengthening our society's social fabric and ensuring people can participate and feel included.

MEPs forming the parliamentary intergroup on fighting against poverty held several

discussions on Oliveira's report. We explicitly included people who are experiencing poverty, as well as representatives from their organisations, because it is important for us to listen to them and ensure they are part of the strategy's development and implementation.

The insights of people experiencing poverty are not just valuable; they are imperative for a policy if it is to have a chance of being successful and supportive. During an event organised at the European Parliament by this intergroup and the European Anti-Poverty Network (EAPN) at which we welcomed more than 150 guests from across Europe, one participant told us about a municipal institution that provided her with financial support to finish her degree, which in turn greatly facilitated her entry into the labour market. She also needed childcare to be able to study, but this was provided by a different municipal department under different policies and regulations. A one-stop shop, or at least better communication between these departments, would have been much quicker and more efficient in helping her. **People who experience poverty must be involved from the start in shaping every measure. No policy should be made without them.**

An important focus of the Oliveira report is fighting child poverty. Children growing up in poverty have a disadvantage at the start of their lives, which then becomes very difficult to overcome in later years. The S&D shadow rapporteur Aodhán Ó Ríordáin, who has experience in education, uses the example of the number of words a child knows when entering school at the age of four: children from socially disadvantaged backgrounds know two to three times fewer words than children from more advantaged social backgrounds. For these disadvantaged children, the start in early education is very different, and the gap rapidly becomes almost impossible to bridge.

It is therefore a success that S&D MEPs in the EMPL committee were again able to confirm the need for the Child Guarantee. **The objective of this Child Guarantee is to prevent and combat social exclusion by guaranteeing the effective access of children in need to free early childhood education and care, free education, free healthcare, healthy nutrition and adequate housing.** But the Child Guarantee should not just be words, it also needs funds. The Oliveira report therefore calls for a minimum budget of €20 billion for the Child Guarantee in the next multiannual financial framework (MFF).



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I have to say that I am very proud about the adoption in plenary of my amendment on menstrual poverty. It was adopted by only a three-vote margin but it means the report now calls for the inclusion of a specific strategy to make menstrual hygiene products available in places such as reception centres and shelters for homeless people. Women in these places are already in vulnerable situations, and their need for hygiene products should not worsen their situation. In addition, my amendment means the report also calls for menstrual hygiene products in public venues such as schools, workplaces, and government buildings. **No girl or woman should miss school or work because she cannot afford basic hygiene products. We provide toilet paper as standard – menstrual products should be just as normal.**

The Anti-Poverty Strategy will have to be holistic and inclusive, and linked to several other European Commission strategies. An important element of it is the Quality Jobs Act. We need to appreciate that the main strength of the EU and its single market is its people, its workforce. We need well-paid jobs and a good social security system. Exploitative systems that create jobs which keep working people poor should be abolished.

If we do not tackle poverty, no defence plan, no market reform and no competitiveness strategy will make people feel secure. Security also means being able to pay your rent and your grocery bill. **A strong Europe starts with people who are able to live, not with people who only survive from pay cheque to pay cheque.** Poverty is not inevitable; it is the result of political choices, and we need to choose differently – now.

▶ *A strong Europe starts with people who are able to live, not with people who only survive from pay cheque to pay cheque.*



*Marit Majj,
MEP and Vice-Chair of the
Intergroup on Fighting
against Poverty*

▶ *No girl or woman should miss school or work because she cannot afford basic menstrual hygiene products. We provide toilet paper as standard – menstrual products should be just as normal.*

Eradicating poverty by 2050

Shaping an EU anti-poverty strategy that leaves no one behind

by Juliana Wahlgren and Marie-Amah Kouadio

With over 20 per cent of Europeans at risk of poverty, the EU faces a stark choice: to continue fragmented approaches or to deliver real change. The forthcoming Anti-Poverty Strategy must connect policies, involve people experiencing poverty, and secure funding to make eradicating poverty a political reality rather than an empty promise.

Across the European Union, poverty remains a stark reality for millions of people. The latest numbers show that 21 per cent of the population live at risk of poverty or social exclusion, representing over 1 in 5 people. The president of the European Commission, Ursula Von der Leyen, committed to the eradication of poverty by 2050 in her 2025 State of the Union address. Considering the slow progress and the imminent failure to meet the EU target of reducing poverty by 15 million people by 2030, the forthcoming EU Anti-Poverty Strategy (EU-APS), announced for 6 May 2026, comes at a decisive moment. After decades of failed attempts to eradicate poverty, the question is inevitable: how can we ensure this is not an empty promise?

For the European Anti-Poverty Network (EAPN), the EU-APS is a critical opportunity to move beyond fragmented approaches and to centre those most exposed to poverty and social exclusion. The EU has a rare opportunity to reject the harmful narrative that poverty is

inevitable and adopt a strategy that serves its people. **Eradicating poverty is a political choice: one that depends on collective decisions about wealth distribution, resource allocation and the democratic participation of the most marginalised.**

SEEING POVERTY IN ALL ITS COMPLEXITY

The EU has historically treated poverty reduction as an economic issue: a means to growth and competitiveness rather than to ending a violation of rights. Poverty is rooted in systemic and structural injustices, shaped by unequal distributions of wealth and power, intersecting with gender, race, disability, age, migration status and other grounds of exclusion. Poverty is often intergenerational: **in 2023, 20 per cent of adults who had a poor financial situation as children were at risk of poverty themselves, compared with 12.4 per cent of those who grew up in financially secure households.**

This pattern is reinforced by structural barriers – such as access to education, precarious employment and inadequate social protection – which disproportionately affect marginalised groups. For instance, only 51 per cent of people with disabilities are employed, compared to 75 per cent without disabilities, with women and young people being the worst affected.

► *Eradicating poverty is a political choice: one that depends on collective decisions about wealth distribution, resource allocation and the democratic participation of the most marginalised.*



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CONNECTING THE DOTS ACROSS EU POLICIES

Poverty does not exist in isolation, yet EU frameworks continue to operate separately. While the Union of Equality strategies address discrimination on grounds such as gender, race, disability and sexual orientation, they generally fail to integrate a social rights or anti-poverty perspective, with the notable exception of the Roma Strategic Framework, which explicitly links equality and poverty reduction.

Conversely, anti-poverty policies often overlook discrimination and inequality. This fragmentation contributes directly to the persistence of the 'missing poor': people whose lived realities are inadequately captured by EU data and indicators on poverty, including undocumented migrants, homeless people, institutionalised populations and those facing multiple forms of discrimination.

Key EU policy areas, such as the Just Transition, climate and energy, and housing and urban development, fail to sufficiently integrate an anti-poverty lens. As a result,

these policies risk exacerbating inequalities if social impacts are not systematically assessed and mitigated. The EU-APS must mainstream a poverty-lens across these areas, guarantee the meaningful participation of people experiencing poverty and back its commitments with adequate funding.

- ▶ *Poverty does not exist in isolation, yet EU frameworks continue to operate separately.*

ADEQUATE FUNDING FOR A TRANSFORMATIVE STRATEGY

Despite strong rhetoric on social inclusion, the current EU economic governance continues to undermine efforts to eradicate poverty.

The Stability and Growth Pact (SGP), under the revised EU fiscal framework, requires countries to keep their budget deficits below 3 per cent of GDP and public debt under 60 per cent of GDP, or risk sanctions under the excessive deficit procedure (EDP). The European Semester, which operationalises these rules, remains primarily oriented towards fiscal discipline, competitiveness and, increasingly, defence spending. **With the recent European Council decision to introduce flexibility under the SGP to allow member states to increase defence expenditure, the message is clear: military spending is a strategic necessity while social and climate justice are secondary.**

Without a funding framework and economic governance architecture that explicitly aligns social investment with the objectives of the EU-APS, the latter risks becoming a statement of intent rather than a vehicle for transformation. The EU-APS must therefore be backed by the European Semester and the MFF, including a strengthened European Social Fund Plus (ESF+) that prioritises social inclusion and poverty eradication.

- ▶ *We must build and implement the EU-APS not merely for people experiencing poverty, but with them.*

A STRATEGY THAT IMPACTS PEOPLE'S LIVES

We must build and implement the EU-APS not merely for people experiencing poverty, but with them. This means valuing their participation as experts and rights holders. Their knowledge is essential to understanding the complexity of poverty: what works, what fails and why. Similarly, as national and local authorities lead on social services, protection and housing, an effective EU-APS must be translated into robust national and local Anti-Poverty Strategies that are developed in partnership with civil society and people experiencing poverty.

This is why EAPN calls for the creation of two permanent structures within the EU-APS: a committee for people experiencing poverty and a committee for civil society organisations. These spaces must be designed to enable meaningful, respectful and well-supported participation, with clear methods, adequate resources, and safeguards against extractivist consultation practices. These committees should be central to the implementation, monitoring and evaluation of the EU-APS. The establishment of a dedicated EU anti-poverty coordinator, equipped with a clear mandate, adequate resources and staff, could play a pivotal role in coordinating the work of these committees and ensuring policy coherence across EU policy areas.

TOWARDS 2050: FROM PROMISE TO POLITICAL CHOICE

Eradicating poverty in all its dimensions by 2050 is undeniably a monumental task, but it is feasible. The EU must make poverty eradication a deliberate political choice and a guiding principle across all policy areas.

The forthcoming EU Anti-Poverty Strategy is the opportunity for turning the 2050 commitment into a credible roadmap: one that must be adequately funded, anchored at the national and local levels, and built with the participation of the most marginalised.



*Juliana Wahlgren,
Director of the European
Anti-Poverty Network (EAPN)*



*Marie-Amah Kouadio,
Senior Policy and Advocacy
Officer at the European
Anti-Poverty Network (EAPN)*

Tackling poverty at its roots

Early childhood care and education must be at the heart of Europe's anti-poverty agenda

by Christian Morabito

If Europe is serious about breaking the cycle of poverty, it must start where it matters most: the earliest years of life. Early childhood education and care is not simply a social service – it is a powerful policy lever to tackle poverty across generations.

Children do not begin life on an equal footing. Those born into poverty are more likely to grow up with limited stimulation, reduced access to quality services and fewer opportunities to develop essential skills. These early gaps widen over time. **The evidence is clear that the disadvantages in the first years accumulate. Skills that are not developed early in life are harder and more costly to acquire later, leading to lower educational attainment, weaker labour market prospects, and greater reliance on social protection.** Poverty reproduces itself, unless early intervention disrupts the cycle. High-quality Early childhood education and care (ECEC) is one of the most effective tools to do this. Participation significantly increases children's chances of escaping poverty, with better school performance, lower dropout rates and higher educational attainment.

Analysis by FEPS, based on PISA data, shows that by age 15, students from low-income backgrounds have below-average performance, except when they attended early childhood education. The earlier and longer the participation, the stronger the effect. Early access can substantially reduce lifelong disadvantages. Investing in early childhood is, therefore, not only socially just but also economically sound.

The benefits are also immediate. **Expanding access to affordable childcare supports labour market participation, particularly for women**, increases household income, and reduces poverty risks – especially for single-parent families. Countries with stronger childcare systems show higher female employment, lower child poverty and better overall family well-being. The policy case is clear: no serious effort to reduce poverty in Europe can afford to overlook early childhood. Encouragingly, the European Union has already recognised this in recent initiatives.

► *Countries with stronger childcare systems show higher female employment, lower child poverty and better overall family well-being.*

The European Child Guarantee, adopted in 2021, commits member states to ensuring that all children at risk of poverty or social exclusion have access to essential services,

including early childhood education and care. The revised Barcelona targets, agreed in 2022, reinforce this ambition by setting a benchmark of at least 45 per cent participation for children under three. These frameworks provide an important foundation. Yet implementation remains uneven and largely dependent on member states. As ECEC primarily falls under national competence, the EU's role is necessarily indirect. This does not mean, however, that it is limited. On the contrary, there is significant scope for targeted, high-impact action at the EU level, particularly in shaping incentives, supporting reforms and strengthening investment.

| THREE PRIORITIES STAND OUT

First, improving data and monitoring is essential. Expanding Eurostat's capacity to track ECEC participation at the subnational level and developing new indicators on quality and equity would provide the evidence base needed for effective policymaking. Many member states still lack reliable, disaggregated data, which limits their ability to set measurable targets and assess progress. Strengthening this dimension would significantly enhance the effectiveness of Child Guarantee Action Plans.



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Second, sustained support for structural reforms is needed. The Technical Support Instrument has already demonstrated its value in helping countries redesign ECEC systems, particularly in improving access and governance. This support should continue, with a stronger focus on the full 0-6 continuum, quality standards and data systems. At the same time, investment must remain a priority. While the Recovery and Resilience Facility has catalysed important expansions in childcare provision, long-term financing remains uncertain. In this context, the European Investment Bank could play a more prominent role in bridging funding gaps and supporting scalable infrastructure and service delivery.

- ▶ *While the Recovery and Resilience Facility has catalysed important expansions in childcare provision, long-term financing remains uncertain. In this context, the European Investment Bank could play a more prominent role in bridging funding gaps.*

Third, local governments must be placed at the centre of implementation. Municipalities

are often the primary providers of early childhood services, yet their capacity varies significantly. **A dedicated EU-supported programme for local capacity-building could improve planning, delivery and quality assurance.** In parallel, fostering peer learning among cities, many of which have developed innovative and effective models, can accelerate progress and support the diffusion of best practices across Europe.

Looking ahead, greater coherence across EU child-related initiatives will also be needed. The idea of establishing a European Child Agency, tasked with coordinating policies, monitoring progress and supporting member states, deserves serious consideration. Bringing together currently fragmented efforts would enhance both effectiveness and accountability.

ECEC is not a marginal policy area. It is a cornerstone of a fair and resilient society. It delivers results across multiple dimensions: reducing inequality, supporting families, strengthening labour markets and promoting long-term economic sustainability. The direction is clear. The evidence is strong. The tools already exist. What Europe needs now is the political determination to place early childhood where it belongs – at the very heart of its anti-poverty agenda.

- ▶ *What Europe needs now is the political determination to place early childhood where it belongs – at the very heart of its anti-poverty agenda.*



*Christian Morabito,
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DOSSIER

CLIMATE-PROOFING THE FUTURE

While global mitigation efforts must remain a key priority, in 2026, we are already living in an age of extreme weather and climate-driven catastrophes. This reality calls for policies that will make our cities, infrastructure, workplaces and homes climate-proof, and our societies increasingly resilient. Climate adaptation cannot be treated as a secondary pillar of environmental policy, because delaying adaptation will make the costs unsustainable, in economic, security and, above all, human terms.

At COP30 in Belém, an agreement was reached to triple climate adaptation financing by 2035. Despite this political achievement, financing for climate adaptation remains inadequate, and people's awareness is insufficient.

In this dossier, we analyse the need for proactive adaptation, and we explore the legislation, resources and mechanisms that can be introduced at the European, national and local levels to address the greatest challenge of our times.



The adaptation deal

Who pays for European resilience?

by Emanuele Bompan

Billions in damage, thousands of deaths, increasingly vulnerable territories: climate adaptation is no longer optional for Europe. €70 billion per year is necessary until 2050, but current funds are insufficient. A new levy on the extra profits of fossil fuel companies could finance safety, health and economic stability.

Climate adaptation must become a strategic priority for Europe. No preambles or euphemisms are needed to highlight the ongoing urgency. The data speaks for itself. Climate change cost €54 billion in property and infrastructure damage in 2022 and €40 billion in 2024, according to the European Environment Agency. And there is an incalculable cost to public health: in the summer of 2024 alone, heatwaves were estimated to have caused approximately 62,800 deaths. In the tragic floods in Valencia, Spain, in the same year, 234 people lost their lives.

► *Phenomena previously considered once-in-a-lifetime catastrophes will become increasingly frequent by the middle of the century until they become the norm.*

Phenomena previously considered once-in-a-lifetime catastrophes will become increasingly frequent by the middle of the century until they become the norm. Climate adaptation is, therefore, not a mere

environmentalist's pipe dream, but a matter of national and EU-wide security, economic stability, health and human well-being. Considering the significant setback in decarbonisation efforts due to the sudden decisions of US President Donald Trump and certain governments aligned with Washington on environmental and climate issues, the importance of making cities and infrastructure climate-proof has become a priority, especially in countries considered 'climate hotspots' – the highly vulnerable ones – such as the Mediterranean area of Spain, Italy, Greece and the rest of the southern Balkans. These are all places subject to increasingly long and intense heatwaves, long multi-year droughts and forest fires.

The concept of 'climate adaptation' emerged in the 1970s, following the American economist William Nordhaus's economic analysis of climate change, which defined adaptation as a rational response based on cost-benefit choices regarding climate impacts. The term gained political recognition in 1992 with the United Nations Framework Convention on Climate Change. Article 4 of this convention explicitly mentions adaptation, requiring parties to prepare for and facilitate it. It then became part of the official international political vocabulary.

Thirty-four years have passed, and technologies and adaptation know-how have expanded exponentially. Yet resources remain insufficient: current levels of funding actually committed to adaptation-related projects are estimated at €15-16 billion per year. This suggests that **EU and member state resources are significantly below the estimated annual need for adaptation action.** The goal is to attract at least €70 billion per year in Europe until 2050 to climate-proof the most vulnerable areas of the Union, following the EU Adaptation Strategy and implementing national climate adaptation plans, in addition to strengthening development cooperation in less developed countries, where climate disasters are a source of geo-political, geo-economic and social instability.

► *EU and member state resources are significantly below the estimated annual need for adaptation action.*

So, how can additional resources for adaptation be found? Member states already have resources allocated in their budgets for adaptation and hydrogeological risk; municipalities



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are increasingly investing in projects to make cities climate-proof, and businesses, together with the insurance industry, are gaining awareness of climate risks and the impacts they can have on their operations, supply chains and proprietary assets through double materiality analysis. There is, however, one mechanism that can still be explored to amplify adaptation efforts: a contribution from those who have profited most from the commercialisation of climate-changing energy sources. A new tax instrument is needed to support a European Adaptation Fund (strengthening instruments such as the Cohesion Fund or LIFE), investments in resilient infrastructure (water networks, coastal protection and adaptive agriculture) and assistance for climate-vulnerable regions (Mediterranean and Alpine areas, coastal deltas).

There is already a precedent: in 2022, amid the energy crisis following Russia's invasion of Ukraine, the EU adopted a regulation introducing a 'temporary solidarity contribution' on the extra profits of fossil fuel companies. Formally, it was not an EU tax but a coordinated commitment of all member states. A few liberals might say, 'but we already have the emissions trading system (ETS)'. However, that remains a levy for

mitigation, as necessary for citizens as it is for the companies that pay it, as they help invest in EU-wide energy independence and economic resilience. Moreover, it is under attack from the European sovereignist bloc.

A new 'solidarity contribution for adaptation to climate change' (or adaptation deal), sponsored by the EU Commission, parliament and civic society, could be attributed to the responsibilities of those fossil fuel companies that are at risk of being held liable for non-contractual climate damage in legal proceedings (see the case of *Lliuya v. RWE AG*). A principle can thus be defined under which supporting the adaptation deal absolves companies of medium- to long-term legal liability. A solidarity contribution until 2050 to support adaptation in Europe would constitute a voluntary remedy for companies that otherwise risk ending up bogged down in complex lawsuits over the next 15 years, from which they could emerge destroyed (and with serious economic consequences).

The adaptation deal is a complex proposal that requires careful technical validation and discussion with all parties. It nevertheless highlights the urgency and difficulty of mobilising sufficient resources to achieve minimum

- ▶ *A solidarity contribution until 2050 to support adaptation in Europe would constitute a voluntary remedy for companies that otherwise risk ending up bogged down in complex lawsuits over the next 15 years.*

adaptation targets. On the other hand, **at COP30 in Belém, one of the most significant outcomes of the negotiations was the agreement among countries to triple global climate adaptation funding by 2035.** And at COP31 in Antalya, the focus will once again be on adaptation plans and a clear, strong political indication of the importance of mobilising more resources for the most vulnerable communities. However, new mechanisms and tools will be needed to generate the expected resources. Otherwise, adaptation plans will stay on paper, and people in Europe will continue to die from climate change.



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Workers are inadequately protected against deadly heat at work

by Marike Schooneveldt

Across the EU, 33 per cent of workers report being exposed to at least one climate change risk factor at work. Unfortunately, the EU occupational safety and health (OSH) framework directive does not specifically address all emerging risks, including occupational heat. Guidance alone cannot ensure effective protection. That is why we need a dedicated directive to prevent occupational heat risks.

Heat at work is a serious issue. Heat exposure poses significant risks to workers' safety and health, particularly those engaged in outdoor or physically demanding work. Heat stress can immediately affect workers on the job, leading to illnesses such as heat exhaustion, heatstroke and even death. In the longer term, workers can develop serious and debilitating chronic diseases, impacting their cardiovascular and respiratory systems, as well as kidneys. While fatal occupational injuries related to heat are currently estimated to be twice as high in Southern Europe, Central and Northern Europe have experienced an increase exceeding 50 per cent over the past two decades. The impact extends beyond individual health: heat stress slows productivity, increases the need for breaks and raises the risk of errors and accidents, endangering lives and people's livelihoods, and causing income loss in low-paid sectors due to work interruptions produced by unbearable working temperatures, for which they receive no compensation.

CURRENT REGULATORY FRAMEWORKS IN WORKPLACES

The OSH framework directive establishes that employers are legally obliged to ensure the health and safety of their workers. While this general duty is clear, it does not specifically address all emerging risks – including occupational heat – and thus leaves important gaps in protection. Crucially, the framework directive itself provides the legal basis for creating new binding instruments when existing rules no longer adequately address emerging risks or reflect changes in society and the working environment.

- ▶ *Heat exposure is recognised in principle, but current EU OSH law does not specify the measurable triggers and physiological safeguards needed to control this hazard.*

Current EU OSH legislation recognises heat at work as a risk. For example, the workplace directive stipulates that "the temperature in rest areas, rooms for duty staff, sanitary facilities, canteens and first aid rooms must be appropriate to the particular purpose of such areas". **Heat exposure is therefore recognised in principle, but current EU OSH law does not specify the measurable triggers and physiological safeguards needed to control this hazard.** The scope of the workplace directive is also limited and does not cover work settings such as forests, agricultural fields and means of transportation, all important work settings in terms of exposure to heat and climate change-related risks.

GAPS BETWEEN BASIC PROTECTION PROVISIONS AND CURRENT EU OSH LAW

The International Labour Organization (ILO) identifies ten basic protection requirements to address workplace heat stress (WHS).



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Comparing these ten requirements with the EU OSH directives, the Advisory Committee of Safety and Health at work (ACSH) recognises that few EU OSH directives contain heat-related provisions, and that these are predominantly general OSH provisions.

Two heat at work topics are not addressed at all in EU law: the use of scientifically validated heat exposure indicators and the acclimatisation to heat. And two more heat at work topics are only partially addressed in EU law: hydration strategies, and rest, breaks or modified work schedules. The latter appear without any link to heat or a heat-related indicator. Legislative gaps therefore clearly remain. The current EU OSH laws are insufficient.

EU DIRECTIVE ON HEAT AT WORK AS REMEDY

At present, divergent national and sectoral approaches mean that the level of protection varies widely, leaving some workers far more exposed than others. An EU directive would remedy these deficiencies by establishing legal obligations that are binding on all employers; by ensuring consistent protection across every sector and member state; and by providing consistent, preventive and enforceable protection for all workers. Echoing this stance, the European Trade Union Confederation (ETUC) has adopted a resolution on *The content of a Directive on the prevention of occupational heat risks*, stressing that workers

are dying from heat at work and that current protections are failing.

► *Guidance can inform best practice, but it cannot create legal obligations or compel employers to implement protective measures.*

Technical guidance, by contrast, remains optional and advisory. And guidance alone cannot ensure enforceable, effective protection.



If guidance were enough, the existing EU-OSHA Heat at Work-Guidance for Workplaces would suffice, but it clearly does not, as rising numbers of heat-related occupational accidents and deaths demonstrate. The European Survey of Enterprises on New and Emerging Risks illustrates why this distinction matters: 87 per cent of EU-27 companies report that their primary motivation for managing OSH is to meet legal obligations. **Guidance can inform best practice, but it cannot create legal obligations or compel employers to implement protective measures.**

CLIMATE CHANGE IS MORE THAN HEAT AT WORK

The OSH Pulse 2025 makes clear that heat is not the only problem due to climate change. Across the EU, one-third of workers (33 per cent) report being exposed to at least one climate change-related risk factor at work. More specifically, 20 per cent of workers report exposure to extreme heat (either indoors or outdoors), and 19 per cent report exposure to air quality issues such as pollen, dust, or smoke (either indoors or outdoors). Lower shares of workers report being affected by intense sun exposure (12 per cent) or extreme weather-related events like floods, wildfires, droughts or hurricanes (9 per cent).

That is why it is also necessary to develop guidance and tools for climate change-related risks concerning issues other than heat – air quality for example, or UV radiation, extreme weather events, biological agents and hazardous substances. Employers should be prepared for extreme weather events. They should be in contact with national, regional and local authorities to establish plans of action.

Last but not least, the effects of climate change may increase psychosocial risks, potentially harming workers' health. The impact of climate change on mental health is still not sufficiently well known, due to the novelty of the subject. However, it is possible to advance that, in some specific sectors where effects of climate change are more extreme (such as emergency response, healthcare professionals and firefighters), the impact will be higher. Actions to prevent its consequences must therefore be adopted at the workplace level, as well as carrying out more research on the effects and their correlation to workers' health at the EU and member state level.



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Green urban policies require the people's support

Hedwig Giusto interviews Matteo Lepore

Matteo Lepore, a member of Italy's Democratic Party (PD), has served as mayor of Bologna since October 2021. Under his helm, the city – along with over 100 other European cities, including Madrid, Munich, Paris, Rome and Stockholm – signed a Climate City Contract in 2024. It aims to achieve net-zero emissions by 2030 – 20 years ahead of the general EU target.

Hedwig Giusto: What role does adaptation play in the Climate City Contract, compared to mitigation?

Matteo Lepore: Adaptation is an indispensable complement to our climate action: without resilience, carbon neutrality would remain incomplete. The Climate City Contract looks ahead to 2030, but in the meantime, we must protect the city from the effects already underway. That is why we have chosen to embed adaptation within regulations, rather than leaving it to ad hoc measures.

We talk about 'regulatory innovation' because we have incorporated binding climate standards into the General Urban Plan and building regulations. In this way, every urban transformation contributes to collective safety. The aim is to transform Bologna into a 'sponge city', where green roofs and walls, unsealed ground and hybrid car parks with solar panels and trees become essential infrastructure. Adaptation requires vision, investment and

continuity. Acting on the rules is the most effective way to ensure that every intervention makes the city safer, more liveable and better prepared for climate challenges.

HG: You have defined cities as 'living laboratories' where innovations can be tested to address the digital, social and ecological transition. How have you translated this idea into concrete, innovative experiments? And how could these initiatives be transferred to other cities in Europe?

ML: Bologna is an open-air laboratory where policies, projects and communities come together to generate concrete solutions. **Here we experiment with initiatives that are not isolated, but are designed from the outset to be replicable, adaptable and useful to other cities facing similar challenges.** An interesting example is the TALEA project, currently under development, which aims to provide an innovative response to the phenomenon of urban heat islands. The approach

is integrated: technology, nature and civic participation work together to transform public spaces into genuine climate refuges that are accessible and inclusive.

It is not just a matter of planting trees, but of rethinking how we live and how we design the city. Through TALEA, **so-called 'green cells' will be created in certain areas of the city, including the historic centre, with the aim of regenerating urban ecosystems and creating greater continuity between green infrastructure, thereby improving the microclimate and the quality of these spaces.** What makes this project particularly interesting is the method: the green cells are not simply designed from above, but are built through a collaborative process involving the administration, local communities and various local stakeholders. This strengthens a sense of belonging and makes citizens active participants in the change, rather than mere recipients. On these issues, we must not forget that the one fundamental factor is people.



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► *Nature-based solutions are becoming an integral part of the urban landscape. They are not isolated interventions but a growing network. In new buildings, green roofs and vertical gardens are now mandatory features, designed to improve the microclimate, retain water and reduce temperatures.*

From this perspective, the citizens' climate assembly represents a new model of governance. Through a random selection process, citizens of varying ages, incomes and backgrounds are involved, trained and empowered to deliberate on highly complex issues such as climate change. It is a process

that fosters awareness and trust. Decisions are not perceived as being imposed, but as being built together.

HG: *The many tragic floods of recent years have exposed the vulnerability of Italy's river basins, including that of the River Reno. Beyond the emergency response, what kind of structural changes is your administration making to improve water absorption?*

ML: The floods have prompted us to move beyond the logic of emergency response. Today, we work in an integrated manner with our region, Emilia-Romagna, national institutions and the Reno Land Reclamation Consortium, sharing resources and strategies. This collaboration enables more effective interventions across the entire water management system. At the same time, we have incorporated this vision into urban planning. The General Urban Plan promotes reducing impervious surfaces, including in areas near canals or

watercourses. **Removing paving restores the ground's ability to absorb and slow water. The aim is to transform water from a threat into a resource. It is a shift in perspective: not defending against water, but coexisting with it intelligently.**

HG: *Within the Committee of the Regions and elsewhere, you have promoted nature-based solutions in the city's adaptation strategies. Are some of these solutions already visible in Bologna?*

ML: Yes, and increasingly so. **Nature-based solutions are becoming an integral part of our urban landscape. They are not isolated interventions but a growing network. In new buildings, green roofs and vertical gardens are now mandatory features, designed to improve the microclimate, retain water and reduce temperatures.** In public spaces, we are gradually replacing impermeable surfaces with permeable materials and introducing trees that provide shade and comfort.

This approach has been adopted, for example, in the transformation of school playgrounds; in the regeneration of urban thoroughfares crossed by the new tram lines that are currently under construction – where, in one instance, work also involved the reopening of a historic canal – and in the creation or regeneration of green spaces and play areas, as well as the construction of a large ground-level fountain in a highly frequented public square. Taken together, these interventions demonstrate how nature-based solutions can be integrated across different contexts, making a tangible contribution to climate adaptation and improving urban quality.

► *The city will change gradually, becoming increasingly cooler, more permeable and more liveable. It is an ongoing process that requires care and perseverance.*

A particularly delicate challenge concerns the historic centre. Here, we work carefully to integrate greenery without compromising the heritage value. We use microclimate maps to identify the most critical areas. The aim is to implement targeted solutions: new plantings, reflective materials and small-scale, widespread interventions. Taken together, these actions will produce a tangible effect. **The city will change gradually, becoming increasingly cooler, more permeable and more liveable. It is an ongoing process that requires care and perseverance.**

HG: Bologna aims to avoid taking any new land, the so-called 'zero land take'. This is an ambitious goal, as infrastructure requires land, and development requires infrastructure. How is it possible to reconcile the need for development with the preservation of land and the prevention of further flooding?

ML: Bologna has chosen to halt urban sprawl, preserving agricultural areas and reducing hydraulic and climate risks. This choice

requires a paradigm shift. Development no longer depends on expansion, but on regeneration. Brownfield sites thus become strategic opportunities. A prime example is the former Scalo Ravone, now at the heart of a major regeneration project that will create the Parco della Memoria, a new public space dedicated to culture, social interaction, sport and innovation. The project involves significant de-sealing: around 96,000 square metres are being redesigned to significantly increase permeable surfaces and reduce impermeable ones. This improves water absorption capacity and helps mitigate heat islands.

The new district will be car-free, accessible to pedestrians and soft mobility, with new cycle and pedestrian links integrating it into the urban fabric. The park will include woodland with over a thousand trees, clearings, paths evoking the railway heritage, spaces for sport, play and relaxation, as well as meeting places such as squares and event areas. Great attention is also paid to environmental aspects: rainwater management, energy efficiency and microclimate quality. The project forms part of the 'knowledge city' vision, which aims to regenerate the entire north-western quadrant. This demonstrates that zero land take does not limit development but rather makes it more sustainable and quality-oriented.

HG: Adaptation is very costly for both the administration and citizens. It also requires a high level of public awareness of the risks posed by climate change and of the means to make cities resilient. What are you doing to inform citizens and ensure that lower-income residents – who are often the most exposed to climate risks – are not left behind?

ML: The transition is only effective if it is fair. That is why we focus on participation and inclusion. The Climate Assembly has engaged citizens who are often excluded, providing them with the tools to understand and make decisions. Alongside this, we promote initiatives such as the establishment of renewable energy communities, particularly in the most vulnerable neighbourhoods, helping to tackle

energy poverty. On the information front, we are updating the Civil Protection Plan to ensure clear and accessible warning systems. The aim is simple: to leave no one behind, either in access to resources or in risk management.

HG: While you lead a city aiming for climate neutrality by 2030, you operate in a difficult broader political context, both in Italy and Europe, where the Green Deal is being undermined, and social policies are disregarded. How can progressive leaders like you defend the cost of transition to citizens who are legitimately worried about housing and inflation?

ML: We prefer to talk about the 'freedom deal' because the ecological transition is first and foremost about freedom from unstable energy sources, unpredictable costs and geopolitical dependencies, as we are seeing in recent weeks with the war in Iran. Investing in renewable energy and resilience means building autonomy. In an uncertain international context, this is a strategic choice, not an ideological one. Defending the Green Deal also means protecting citizens. Energy efficiency in buildings reduces consumption, renewables stabilise costs, and adaptation limits the damage caused by extreme events. All of this translates into economic security. The ecological transition is not a luxury, but a necessity. It is a concrete response that addresses the present, not just the future, and that puts people's quality of life at the centre.



Matteo Lepore,
Mayor of Bologna



Hedwig Giusto,
Editor-in-chief,
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POLICY BRIEF

MOVING BEYOND NEOLIBERALISM IN EU TRADE POLICY

Edited by Werner Raza and Bernhard Tröster

POLICY BRIEF
December 2025

FEPS
FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES



**MOVING BEYOND
NEOLIBERALISM IN
EU TRADE POLICY**



ABSTRACT

European Union trade policy finds itself at a crossroads. After three decades of neoliberal dominance in the design of economic policy at large, and trade policy in particular, recent changes in the international system have led to a dramatic rupture of the liberal international order. Nostalgia for the good old days of hyper-globalisation and the liberal international order is, however, neither warranted nor helpful. Progressive policymakers are well-advised to adapt to a new reality, in which political-economic competition between the great powers is likely to increase and trade policy is used for promoting national security objectives, including by extracting concessions from other countries.

Given such an environment and the EU's pronounced external dependencies, EU trade policy will have to be realigned and made to serve an economic policy strategy that is no longer focused on supporting export-led growth but is based on the concept of defensive regionalism. Such an economic model wants to leverage domestic sources of growth, in particular by stepping up investment in the green and digital transformation, and combine this with extending the European social model, while using trade policy to promote the security of the supply of critical goods, increase the EU's economic resilience and promote international cooperation. Six guiding principles, as proposed in this policy brief, aim to support such a new trade policy agenda.

With respect to international economic governance issues, the EU should spearhead a discussion about a new and more balanced global trade order. By deepening the sustainable trade agenda in cooperation with trade partners and helping trade partners to implement their own green transformation processes, the EU could regain international recognition and help to promote a more cooperative post-neoliberal international system.

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Once seen as a driver of growth and stability, trade is increasingly about risk, power and resilience. Trade has become increasingly politicised, global markets are more fragmented and economic interdependence is less predictable.

As geopolitical uncertainty grows and economic pressures mount, choices about trade policy will **shape the EU's future growth model and its role in the world.** The authors argue that the **EU must fundamentally realign its trade strategy.**

The policy brief is part of the Progressive Economic Network project, co-organised by FEPS, the Friedrich-Ebert-Stiftung (FES) and Das Progressive Zentrum (DPZ). For this publication, the Austrian Federal Chamber of Labour (AK EUROPA) joined as a partner.



DOSSIER

BUILDING FAIR VALUE CHAINS

Against the backdrop of current geopolitical instability and unpredictability, it has become a strategic imperative for the European Union to reduce dangerous dependencies and build stable, resilient supply chains. The race for critical raw materials and the search for international tax justice are just two crucial areas where the Union must do more to ensure the resilience of global value chains.

Instead of supplanting partners from the Global South in the race for critical raw materials, the EU must move away from the extractive model based on unfair bilateral agreements and focus on local economic development, industrial upgrading, innovation and

job opportunities; in short: on local content creation. This can only be done by cultivating just partnerships with Africa, Asia and Latin America.

When it comes to international tax justice, the union needs to ensure that value chains contribute to public policies in the countries where they actually create value. This follows a moral imperative of justice, as well as the necessity of ensuring that value chains are robust and do not create further instability and weakness in the countries involved. In the past, attempts for global tax justice have been undertaken to little avail. The current negotiations for a new UN framework to address this topic are a new chance the EU must not lose.

Ensuring tax justice in a fragile and unequal world economy

by Tommaso Faccio and Jayati Ghosh

When a handful of economists met in Geneva over a century ago to deliver a report to the League of Nations, their aim was to establish the foundation of the modern international tax system, and to decide which country has the right to tax the income of multinationals. In their report on double taxation, they recommended a balance between residence-based and source-based taxation in order to prevent double taxation (the imposition of taxes twice on the same source of income).

How exactly to strike that balance was left unanswered, as the authors recognised that the ultimate profit is dependent on a series of operations across different countries. As a result, in the report, the allocation of profit to the different stages was said "to baffle analysis" and comments were made that "it is difficult to establish that such an analysis can have great practical value".

With no clear rules, taxing rights over multinationals' profits were allocated to reflect the balance of power between countries. **Over the years, developing countries – many former colonies finding their footing in the decades after independence – accepted tax treaties that lowered withholding taxes, thus limiting their ability to tax foreign direct investment.**

Transfer pricing rules were developed in the 1990s by the OECD – the club of rich countries – to determine the amount of a multinational's profit that each country was entitled to tax. These rules are inherently subjective and therefore problematic because they rely

on applying the 'arm's length principle' – a benchmark requiring transactions between related parties to be priced as if they were conducted between independent, unrelated parties. In fact, comparable independent transactions are rare, forcing tax authorities and companies to exercise significant judgment. Multinationals have exploited the subjectivity embedded in the rules to cherry-pick where to allocate their profits. As a result, **in 2022, around 40 per cent of their profits (over €840 billion) were allocated to tax havens like Ireland and Switzerland.** Due to this tax avoidance, over €200 billion of revenues worldwide is lost every year. Developing countries, which have a more limited tax base and rely more on corporate tax revenues than rich countries to fund their spending, bear the brunt of this arrangement.

► *Fiscal dumping cannot be an option for Europe, nor can it be for the rest of the world.*

Since 2021, a global minimum tax of 15 per cent, agreed at the OECD/G20 Inclusive Framework, is meant to limit this tax avoidance, by ensuring that multinationals pay a minimum level of taxation in every country in which they operate, thus reducing the incentives to shift profits into tax havens. This rate – 15 per cent – is too low (in our view, it should be 25 per cent, in line with the OECD average of 26.59 per cent). It carries the risk that this minimum will, over time, become the maximum. The Inclusive Framework also included a number of exemptions, reducing the effective minimum tax to below 15 per cent and, in certain circumstances, even close to zero. Nevertheless, its introduction in the European Union in 2024 through a directive was a step forward and a signal that unfettered tax competition was perhaps no longer politically acceptable. European finance ministers stated that "like any other company, multinationals should pay their fair share to fund the public good, at a level commensurate with their success" and that profit shifting is "not something the public will continue to accept. **Fiscal dumping cannot be an option for Europe, nor can it be for the rest of the world.**"

It took less than six months for US President Donald Trump's administration to flip this newfound social conscience among European leaders, by demanding that US multinationals be exempt from the global minimum tax. The evident desire to avoid a further escalation in the trade war between the EU and the US led France, Germany and Italy to agree at the July 2025 G7 meeting to exempt US multinationals and to follow Trump's wish. This was formalised early in 2026 at the OECD/G20 Inclusive Framework. **In this new world, governed only by strength and power, the US administration got what it wanted without much resistance.**

As the exemption makes US multinationals subject to lower taxation than European companies, which are still subject to the global minimum tax, many countries saw this free pass to US companies as an opportunity to weaken the global minimum tax further by pushing for more generous exemptions. **New research shows that among the countries that stand to benefit the most from this relaxation of rules are the tax havens in Europe: Belgium, Cyprus, Luxembourg, Ireland, Malta and the Netherlands.**

Overall, while the minimum is no longer zero, the agreed minimum of 15 per cent is now a minimum in name only. If European countries have been happy to grant additional gifts to their own multinationals, they seem hell-bent on blocking any further changes to the status quo. In the current negotiations for a United Nations framework convention on international tax, **EU member states are doing their best to ensure that the current rules, which prioritise residence-based taxation – notably by allocating more taxing rights to the countries where EU multinationals are headquartered – remain unchanged.**

Developing countries, and the African countries in particular, are calling for greater rights to tax multinationals' profits at source, particularly in market jurisdictions and without requiring multinationals to have a physical presence. This is an outdated concept that has ruled international taxation for the last century, but it is clearly unfit



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in today's digital economy. Several EU countries oppose this change, as they fear it will lead their multinationals to pay more tax abroad.

A change of course is still possible. **The current rules enable multinationals to shift profits from EU countries where customers are located into tax havens like Ireland**, and to limit the amount of profits multinationals record in most EU countries by locating activities such as global procurement/marketing in tax havens, from Switzerland to Singapore. Until rules are changed, all countries – apart from the tax havens – are losing out from today's rules. Since the US has withdrawn from these negotiations altogether, there may be an opportunity for EU member states to build a coalition with partners who "share enough common ground to act together", as the Canadian Prime Minister Mark Carney said in his Davos speech.

Countries in the Global South are leading this process, with a clear perception that current rules are unfair to them. At the same time, trust in EU member states is much lower, as traditional alliances are being questioned due to perceived political interference, economic exploitation and unresolved historical grievances.

For the EU, the UN negotiations are a win-win situation: an opportunity to shape new international tax rules that are fair and that ensure multinationals pay their fair share in all countries. They are also an opportunity to rebuild trust with countries in the Global South. In a world of great-power rivalry, where the most powerful pursue their own interests only, it would be foolish for the EU not to grasp this opportunity.

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The elephant in the European room

Critical raw materials and open strategic autonomy

by Simona Iammarino

Frontier technologies and emerging industries are increasingly dependent on critical raw materials (CRMs), such as rare earth elements for wind turbines, and lithium and cobalt for batteries. The green and digital transitions of the economy are thus conditioned by access to and control over many CRMs. Recent EU initiatives, such as open strategic autonomy (OSA) and the Critical Raw Materials Act (CRMA), represent the EU's strategy to secure a stable supply. However, such a strategy is likely to be over-reliant on domestic potential, applying a top-down approach that risks falling short when it comes to key constraints, and thus further weakening the EU's international standing.

The rapidly growing demand for CRMs exposes high-tech industries and technological advances to intensified supply chain risks, due to factors such as material scarcity, geographical concentration of reserves, trade disruptions and wars, geopolitical instability and resource nationalism. Supply chain resilience through diversification and increasing domestic supply is thus high on the EU agenda, with European Commission President Ursula von der Leyen periodically announcing new plans to counteract the Union's vulnerability.

The CRMA sets benchmarks aiming to diversify the EU supply of critical and strategic raw materials by 2030. It introduces specific standards to build European internal capacity and move away from the heavy reliance on

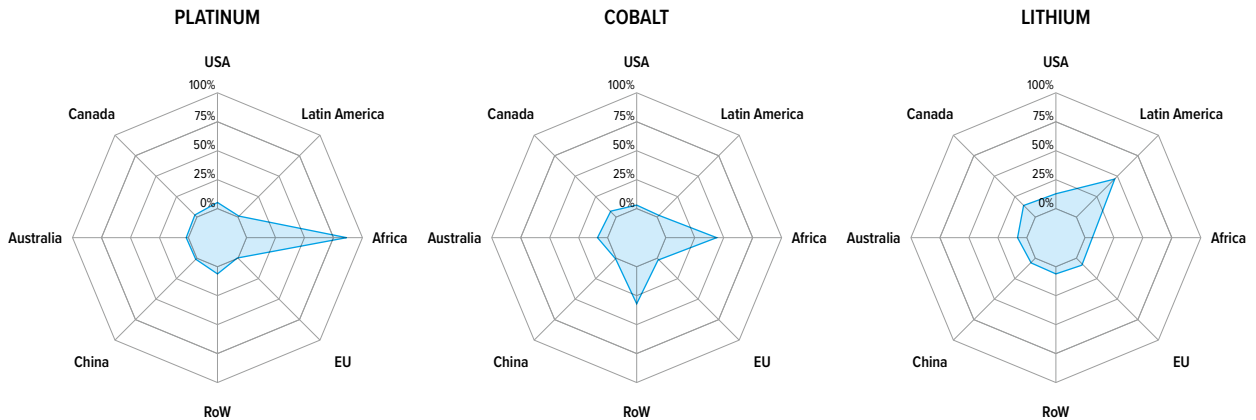
extra-EU imports, especially from China. China is the biggest producer of refined materials extracted elsewhere, for the most part in the Global South.

The benchmarks for the EU's independence goals, however, do not seem to be realistic. **The major ambition of increasing European extraction and production of CRMs – set by the CRMA at 10 per cent and 40 per cent of EU internal consumption, respectively – clashes with significant barriers to its achievement.**

First, the EU has very limited mineral reserves (see figure 1), although their assessment is made uncertain by the lack of a complete, harmonised and updated database at the union level. The latter should be the starting point for any evidence-based policy strategy.

- ▶ *The major ambitions of an increasing European extraction and production of CRMs – set by the CRMA at 10 per cent and 40 per cent of the EU internal consumption respectively – clash with significant barriers to their achievement.*

FIGURE 1 : SHARE OF GLOBAL RESOURCES FOR SELECTED STRATEGIC RAW MATERIALS (SRM)



Source: Dessi, Iammarino & Usai (2026), own elaborations on S&P Global data
 Note: shares are computed on global endowment of resources, across mining properties in mining projects

Second, the geological endowment of CRM reserves does not necessarily translate into domestic CRM supply, especially in the short- and medium-term. Mining and industrial production capabilities, especially technological innovation and scale economies in mining, processing and downstream sectors (such as refining and metallurgical transformation), are paramount and require massive long-term investment in high-fixed-cost activities. Mining in Europe has been in retreat for decades, with mining clusters dissolved and a loss of specialisation and expertise at low- and high-skilled levels. **The EU's far more stringent environmental regulations compared to elsewhere require a mining industry capable of operating at the technological frontier.** But even here, Europe does not have strong comparative advantages (see figure 2).

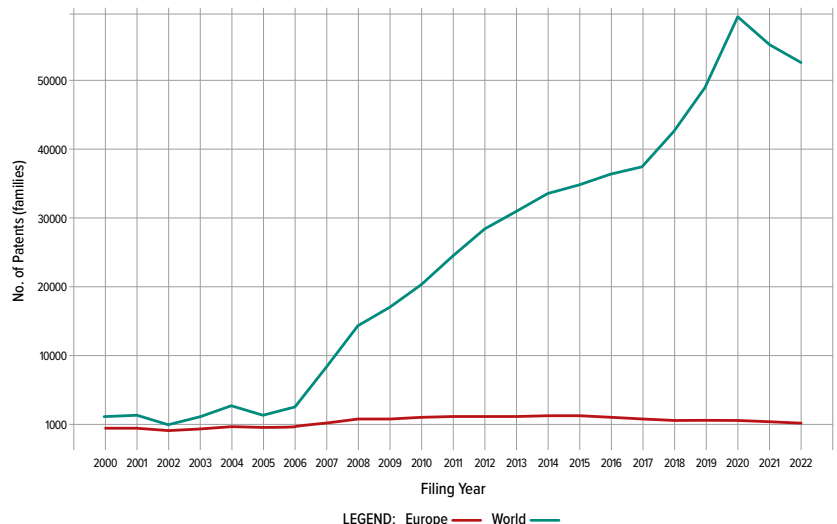
Besides these limitations in terms of resource endowments and human capabilities, the CRMA also ignores the serious environmental and social risks associated with pushing up domestic supply. The act aligns with the broader framework of the OSA and its overarching goals of security, competitiveness and national sovereignty. Yet natural resources have a distinct geographical footprint, and their extraction entails very high costs in terms of *localised* emissions, groundwater and soil pollution as well as biodiversity loss. Many

of the EU's regions concerned by mining and prospecting activities have already denied their social licence to operate. This outcome was expected, as the European macro-strategies that have global objectives often overlook their place-specific impact and implications.

These contradictions are internal to the EU. In addition, the excessive emphasis on short-term increases in domestic CRM production goes together with insufficient efforts to ensure resilient and equitable extra-EU supply networks.

► *The EU's far more stringent environmental regulations, compared to elsewhere, require a mining industry capable of operating at the technological frontier.*

FIGURE 2 : MINING PATENTS GRANTED 2000-2023



Source: Dessi, Iammarino & Usai (2026), own elaboration on PATSTAT (2024) data
 Note: mining patent applications classified with IPC: E21. Europe: 30 countries (EU-27 + UK, Switzerland, Norway). Patents are counted by family ID



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► *Europe seems stuck in a global geopolitical vision that resembles the cold-war order. This, added to its never-ending Marshall-plan-syndrome, has prevented any serious commitment to deep reform of the multipolar global governance.*

The CRMA benchmark of importing no more than 65 per cent of the EU's annual consumption of any specific CRM from a single country has been framed by statements indicating the Union's willingness to associate only with like-minded countries and to de-risk from China. New forms of dialogue and international collaborations with the Global South and the Other North have been mentioned formally but remain mostly on paper. **Europe seems stuck in a global geopolitical vision that resembles the cold-war order. This, added to its never-ending Marshall-plan-syndrome, has prevented any serious commitment to deep reform of the multipolar global governance.**

This misalignment has stalled any real progress in cooperation, particularly with the

neighbouring African countries and regions that, unlike the EU, are rich in CRM endowments. The African Union has also adopted its own CRM strategy and priorities. The concept of *criticality* is considered less in terms of technological sovereignty and more through the lens of local economic development, industrial upgrading, innovation and job opportunities, which can be offered by the growth of downstream material refining and transformation sectors and related technological advances.

Yet the repeated attempts by the EU and its member states to secure access to raw resources through unbalanced and unfair bilateral agreements follow an extractivist logic that eludes any notion of local content creation. Such a logic fails to confront the typical effects of the resource curse, fuelling corruption, conflict and appropriation of rents by restricted local elites and foreign-controlled mining and financial corporations.

At the same time, in Africa – as well as in Europe – subnational regions are concerned with the environmental impact of foreign-owned multinationals, while local actors and communities demand equity and transparency in sustainable development relationships and strategies.

Concerns and efforts related to the sustainable development goals (SDG) and the green transition may be felt differently across different geographical areas, but they could provide a unifying platform for collaboration between EU regions and their counterparts in the Global South.

Europe's open strategic autonomy should not be conceived as a defensive and selective tool, but as an inclusive policy, open to dialogue with the South and the East of the world. **If the EU is truly committed to advancing rapidly in low-carbon technologies, it should do so by investing in materials science and research on recycling and substitution, and by cultivating just partnerships with Africa, Asia and Latin America.** Moving beyond access to raw materials and effectively addressing the trade-offs between technological and environmental objectives, once and for all, is the only way to prevent the elephant crushing the fragile European room.

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INTERVIEW



Back in the realm of muscular masculinity

Lina Gálvez in conversation with Toni Hastrup

As debates around multilateralism intensify and the global order shifts, rules we thought were here to stay are suddenly under threat. Feminist foreign policy can open a pathway to embed gender-responsive, justice-oriented thinking and an accountability framework into international relations and to rethink what security, cooperation and power should look like. Foreign affairs are still designed with masculine power at its core, and women, especially feminists and the LGBTIQ+ community, continue to be underrepresented in this area.

Lina Gálvez: So many things are changing at the global level. Multilateralism, as well as the international rules that we thought were here to stay, no longer work. What is not changing is that women are not in those decision-making places where we need to be. And the distribution of power and the way we think of security – which is now understood in militaristic terms – is still male-dominated. In this geopolitical context, why is feminist foreign policy (FFP) an important tool?

Toni Hastrup: When I speak about FFP, especially when I'm describing it to my students, I present it as one approach to foreign policy. Despite the ambitions of feminists, it's always important to be cautious, as FFP itself does not necessarily lead to transformation – but it can create pathways that might. So, it is one approach to foreign policy.

This is important because, since 2014, when Sweden declared the first FFP, we've focused a lot on the feminist part, because we're feminists, and less on the foreign policy part. What does that actually mean? Foreign policy is an instrument of the state, and states operate within a system of power, a system of hierarchy, a system of borders and often one of militarisation. So how can we make this system that is endemically hierarchical actually feminist? The argument I make in my own work is that **we can't actually have feminist foreign policy, but we can have feminist-informed policies. So, I don't think that foreign policy itself can be feminist, given that my understanding of feminism seeks liberation. And in that context of liberation, a lot of these issues that I've highlighted – borders, power, militarisation – do not exist.**

► *We can't actually have feminist foreign policy, but we can have feminist-informed policies. So, I don't think that foreign policy itself can be feminist, given that my understanding of feminism seeks liberation. And in that context of liberation, a lot of these issues that I've highlighted – borders, power, militarisation – do not exist.*



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So, what is feminist foreign policy? It has helped normalise a more systematic feminist analysis of foreign policy. Not just something we do within universities, but something that civil society takes up, something that states take up. It has helped us ask questions about who can be in which spaces. As you mentioned earlier, women are still absent from decision-making spaces. And it's not just about the representation of women but the ability to actually be able to decide on things. Feminist foreign policy has opened up space to think more about gender-responsive, justice-oriented policy, even across issues like climate change, helping us rethink what security could mean. FFP is a normative lens and potentially an accountability framework, particularly in those states that are already sort of defining feminist foreign policy. It's fair to say that **while FFP might not dismantle global hierarchies in and of itself, it does create a pathway through which we can hold states accountable when they declare their feminism.** It provides us with an entry point to rethink alternatives to dominant paradigms in international relations.

LG: The goal is to transform power itself. Power is designed by males in a male way, with male experience and male history. Feminist foreign policy is obviously not about having more women ambassadors, but if we manage to have many more women in those spaces, there will definitely be a few who want to transform, and they will be able to do things differently. If there are just a few, they will be considered an exception and the capacity to transform will be limited. We need to think about diplomacy and FFP from perspectives beyond our Western vision. In the European Union, at least in the European Parliament, we are struggling to move on this idea of feminist foreign policy. Sometimes it's just a question of language, because not all words, like 'gender' for instance, can be easily translated in certain languages or certain cultural contexts, and they generate big reactions and in the end, this could reinforce the gender backlash we are seeing. One third of the European Parliament is occupied by members who deny the existence of gender-based violence. They have

a clear anti-gender agenda. As these things are happening at the same time, we don't have a majority to include FFP terminology in any European Parliament documents. How do you see this gender backlash in general and in international relations?

TH: I have been working with UN Women, looking at women in diplomacy and especially in the context of the multilateral system. And you're absolutely right: we need women in those spaces where the big decisions are made. **In these patterns of who becomes an ambassador, where they become an ambassador, and what portfolios they have before they're able to become an ambassador, we still see an active, male-socialised way of preventing women from taking these positions of power.** I would still say that representation is not everything. We can also not deny that there is no reason to exclude women from all spaces. One of the things that I find concerning, and I think it's the concern of a lot of feminists, is the current anti-gender backlash.



This is not the first time we've had a backlash, for sure. But it is certainly extremely disheartening that still now, in 2026, we're struggling to implement those feminist principles that we felt we had already won. I think there is a vulnerability of the entire feminist inclusion, and we've already seen that vulnerability, of course, in the retrenchment of feminist foreign policy itself. But I also say that, **whatever disappointment we feel about retrenchment in some states, like Sweden, we cannot look away from the progress we've seen in feminist foreign policy in countries like Spain and Colombia. We cannot despair too much because there are spaces of hope.** At the same time, when we look at these instances of retrenchment, we realise that feminist work is not easy and that we cannot afford to give up.

► *As feminists, we say all the time gender is not just an issue for women. But look at what is actually happening in the world, the ways in which a sort of 'muscular masculinity' is reinforcing itself in the realm of security, the current context of our world right now.*

If you want to gauge the quality of democracy, look at how gender concerns are being treated. **As feminists, we say all the time gender is not just an issue for women. But look at what is actually happening in the world, the ways in which a sort of 'muscular masculinity' is reinforcing itself in the realm of security, the current context of our world right now.** So, you know, we're expected to accept what our leaders tell us about the sacrifices we have to make for the current geopolitical moment, even though we know there is no consistency in achieving a more peaceful international system.

What we see is an increase in arms exports, which again is really tied to masculinities and increased militarisation, security partnerships with abusive regimes in the name of security, where 'peace' feels like a swear word. This limits the space in which feminist ideals can thrive. When I consider the work that I have done on the relationship between the Global North and the Global South, I realise that the situation we find ourselves in, where we have this sort of 'anti-gender mobilisation on steroids' will simply serve to fracture even more the relationships between countries in the Global North and the Global South for one main reason: for years and years, countries in the Global South have been told that the rules-based order is the gold standard of governance everywhere. And yet, over the last four years, the most powerful countries have effectively thrown away everything we've been taught to believe about the rules-based order. And almost no country in the so-called Global North, or even the more powerful countries in the Global South, including my own Nigeria, is exempt here. How do you make the case for the less mature democracies that these are the sets of rules that they should follow?

LG: You were mentioning – without saying the word – the hypocrisy of the Western world, saying to the Global South and to the rest of the world that the rules-based order was the gold standard, something they needed to achieve. And now it is the West, and particularly the leader of the so-called 'free world', that is not following any of those values and rules. One can mention the US, but it is not just the US. The anti-woke extreme right is spreading the idea all over the world that the rules-based order and gender equality are foreign to their culture. This is something you hear in Russia, China and many other countries – and now in the US. And today, you hear these kinds of statements in the European Parliament, too. If feminism and equality are foreign principles in Europe as well, where did they come from? But they are not foreign principles; they are very basic principles. I think the new economic

and political elites no longer need democracy. Capitalism has needed democracy for many decades, but it no longer does. Peter Thiel and all these techno tycoons, they just don't need democracy anymore. They want to get rid of democracy. And for that, they also need to get rid of feminism. To this end, they are changing people's mindsets in many countries.

TH: One of the things that we've seen, particularly with respect to these anti-gender mobilisations, is that they are having such a negative impact in Africa as well. Countries like Senegal enacted laws that have nothing to do with the everyday bread-and-butter issues that people actually have to struggle with, such as anti-LGBTIQ+ laws that provide for even harsher punishments than the laws already in place. What is the motivation for this? Most people going about their everyday work in offices and the marketplace are not asking, 'What are we going to do about these people?' In fact, frankly, because of other social stigma, the percentage of people who are out is actually quite small in a lot of these countries. It makes absolutely no sense. What we do know is that a lot of the funding for these mobilisations is coming from the West, and these anti-gender movements are partnering with conservatives in Africa to push their agenda. A great part of it, of course, is fearmongering.

In Niger, the military junta, which is already antithetical to democracy, is able to pass such legislation by claiming that LGBTIQ+ people are 'against who we are'. **People who are not LGBTIQ+ react by thinking, 'I'm not LGBTIQ+, it will not affect me'. And this is what I find more frustrating: these people don't see that what is being taken away is the space for democratic deliberation.** As horrible as the situation is, it also creates a space for transnational feminist solidarity. And here is an opportunity to really listen. I've attended a few webinars recently to really listen to the feminist demands of Global South feminists, from Mexico, Uganda and the Democratic Republic of Congo. And in a lot of ways, they've been

saying the same things over and over again. Here in the West, we tend to believe that we are better off. Well, we no longer have all those things, and we are not better off. Now is the moment for global solidarity. We need to be in this fight together. As terrible as the situation is, it is bringing us together and could turn into an opportunity.

LG: *This anti gender movement moves and works as an international movement, a fascist international movement, or whatever you want to call it. They are putting anti-feminism and anti-gender as a core issue, because they are really against democracy. So, what we must do is to do exactly the same, but in the opposite direction. We cannot really keep looking at feminism and at gender equality as the cherry on the cake. We really need to make it a core issue, unless we do that, we will be losing ground. Because for the far right – and I can see that very easily in the European Parliament – feminism is a core issue to instrumentalise for other goals. At the Commission on the Status of Women (CSW) which took place at the United Nations in New York last March, we advocated cooperation over domination, human security and social and relative health rights over militarisation. We could not include the words 'feminist' or 'gender transformative' because there is no longer a consensus on them within the European Parliament. But we still back the ideas and the principle. There is a strong appetite for the role the European Union can play within the CSW. Particularly at a time when development aid has been cut in the US and beyond. Around half of women's NGOs worldwide will not survive. That means that a lot of women and girls, the most vulnerable ones, will not survive either because they will not have any more aid. That's the priority. The European Union is becoming more transactional in the international arena, unfortunately, but we have to do our utmost to make feminism, and policies in accordance with it, a priority for the European Union. We cannot become like the US. We*

really need to stay strong in our values, in our core principles and to translate them into real commitments in the international arena and in our external action.

TH: You said that sometimes we can't use the word 'feminist'. This is something that I'm trying to make sense of myself. I define myself very much as a feminist. But I also know that I work with a lot of other folks who share a lot of the same ambitions and who don't have the word 'feminist' in their title. Yet they're engaged in feminist practices. Even if we don't always have faith in the international organisations as they currently exist to ensure human security, reduce militarisation, and engender the values of multilateralism again, **the idea of cooperation as a means of resolving conflict and addressing areas of difference in international politics is a key value for many feminists – and, actually, for many other colleagues, regardless of whether they call themselves feminists or not.** One of the things that has always been quite generous about feminism is that it doesn't say everybody should be a feminist. But as I always say to my students, feminism is the one 'ism' whose whole ambition is to get rid of itself. And this is where its power lies. It's why the far right comes after feminism and those ideals. At the end of the day, it's the ultimate pathway to liberation.

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BOOK

THE PROGRESSIVE YEARBOOK

Edited by László Andor, Ania Skrzypek and Hedwig Giusto



WITH THE VOLATILE START TO 2026, WHAT INSIGHTS CAN PROGRESSIVES LEARN FROM 2025?

In this edition of the Progressive Yearbook, we offer analyses of the EU's domestic issues, ranging from defence and digital autonomy to what remains of the previous EU Commission's Green Deal, as well as on global questions, such as international trade, tariffs and the new emerging world order.

The Progressive Yearbook was launched at FEPS headquarters, alongside the unveiling of the **Progressive Person of the Year, Mariana Mazzucato**. The event also marked the official departure of Maria João Rodrigues as FEPS president and the handover of the presidency to Nicolas Schmit.





PROGRESSIVE READS & VIEWS

Gramscianism of the right

by Christian Salm



World of the Right. Radical Conservatism and Global Order

*Rita Abrahamsen, Jean-François Drolet,
Michael C. Williams, Srdjan Vucetic,
Karin Narita and Alexandra Gheciu*

Cambridge University Press, 2024

'Project 2025' was a topic of the highest interest to political observers before, and even more so after, Donald Trump's re-election as US president in November 2024. Led by the Heritage Foundation and backed by a coalition of over 100 conservative organisations, Project 2025 is a playbook for transforming the US government. Furthermore, it aims to reshape the American public. Applying the terminology of the Italian Marxist philosopher Antonio Gramsci, Project 2025 is part of a counter-hegemonic strategy to progressive and liberal understandings and worldviews in public spheres. Crucially, gaining cultural hegemony for conservative ideas is not only an American project of the Heritage Foundation. It is a phenomenon linking radical right forces globally.

But what exactly is the radical right's cultural counter-hegemonic strategy? What is driving the radical right to build transitional alliances? And what exactly do they want to achieve? *World of the Right. Radical Conservatism and Global Order*, co-authored by six international affairs academics from the University of Ottawa, Queen Mary University of London and the University of Sheffield, provides profound answers to these questions. It maps the global right's

transnational initiatives, traces key elements of their intellectual strategies and ideological content, and assesses possible implications for the current global order. Moreover, it explains how, despite differing national contexts and policies, the radical right can form a global movement at all.

► *There is a certain irony that concepts developed by the left-wing thinker Gramsci provide the radical right with intellectual and political inspiration for how their movement might successfully challenge the existing liberal order and power.*

There is a certain irony that concepts developed by the left-wing thinker Gramsci provide the radical right with intellectual and political inspiration for how their movement might successfully challenge the existing liberal order and power. In a nutshell, a

counter-hegemonic strategy requires various cultural actors and intellectuals to undertake a systematic critique of the existing order and replace it with a dominant power structure, along with dominant ideologies and cultural norms. Assuming that culture underpins and supports social orders, these **cultural actors and intellectuals engage in a long-term war of position, aiming to transform societal common sense to favour political change toward a new order.** In fact, this is exactly what the global radical right has been doing for some time now.

As the book demonstrates, attempts to develop a Gramscianism of the right go back to the late 1960s, when militant right-wing intellectuals of the French *Nouvelle Droite* tried to make use of Gramsci's core ideas for a counter-hegemonic project. Most prominent among these intellectuals was probably Alain de Benoist, a highly influential thinker of the radical right, well beyond France, and a strong critic of the liberal international order. Today, extreme-right thinkers from all parts of the world are engaged in this war of position. To name just a few, they include the Russian radical-right ideologue Alexander Dugin; the Pan-African

writer and activist Kemi Seba, who advocates a radical racial 'ethno-differentialism', parallel to the European radical right's identitarian, anti-immigration discourse; and the American neo reactionary and openly racist internet philosopher Curtis Yarvin.

► *New research has shown that numerous radical-right think tanks have been established in various parts of the world in recent years, and that they work closely together via transnational networks to share ideas, concepts and strategies.*

In practical terms, the radical right's counter-hegemonic strategy comprises various elements. Of course, there is their often-discussed offensive use of digital communication and social media that has helped them rise and gain visibility. However, the authors of the book point out that there are other important fronts in the war of position where the radical right has invested heavily. First, there is the publishing industry, with a sharp rise in the number of publishing houses, journals, podcasts and online magazines making radical-right content available. A prime example is the publishing house Arktos, which has a strong anti-globalism agenda. Second, there are right-wing educational institutions dedicated to educating a new elite that is equipped with the skills to fight the war of position. In the US, one of the most established and influential educational institutions with a radical-right agenda is Hillsdale College in Michigan, which has a reputation as a feeder school for the Trump administration. In Europe, the Hungarian Ludovika University of Public Services is noteworthy for having 5,000 students enrolled annually across four faculties and for maintaining close relations with Viktor Orbán's government and the Fidesz party. Moreover,

new research shows that numerous radical-right think tanks have been established in various parts of the world in recent years, and that they work closely together via transnational networks to share ideas, concepts and strategies (see, for example, Thomas Greven, *The Global Radical Right. Transatlantic Networks*, published by Friedrich-Ebert-Stiftung, 2025).

World of the Right's most interesting and strongest parts are those on the global radical right's common driving forces. First and foremost, despite differing national agendas and positions, radical-right forces worldwide constitute a global right due to their opposition to globalism and similar visions of the global order. Central to their conception of the world is the so-called managerial class. This is a global elite of corporate executives, academics, journalists, government bureaucrats and staff in supranational institutions like the European Union and United Nations, benefiting from the international liberal order and targeting traditional social orders that oppose its expansion. The framing of a new class provides a shared line of discourse and a powerful rhetoric of a common enemy. Clearly, this concept of class is no longer defined by the left's anti-capitalism but by its opposition to the new class of a global liberal managerial elite. Furthermore, it explains why the radical right can bring together actors from multiple locations around the world.

Attacking the managerial class and the international liberal order, which operates on multilateralism as its primary principle, the radical right's vision for a new global order is embedded in multipolarity and civilisationalism. In short, only a strong civilisation with compatible national states will prosper in a multipolar world. Driven by a feeling of not being recognised by the Western powers that dominate the multilateral system, illiberal states such as China and Russia, as well as states and people in the Global South, are equally lured by this multipolar global vision, resonating anti-Westernism and anti-colonialism. Furthermore,

the radical right's civilisational understanding of multipolarity has implications for the EU. There are basically two narratives. While **the first aims to install an ethno-pluralist order and to reject the EU completely, the second favours a patriotic Europe that defends the sovereignty of the member states and challenges the union's liberal norms. A development in either of these directions would jeopardise the EU's system, which provides freedom and prosperity to European citizens.**

By covering all of the above topics, the *World of the Right* comprehensively delivers on its own objective of helping understand the global radical right and of finding ways to counter it. Progressives worldwide therefore need to mobilise and strengthen their cooperation, sharpen and reclaim their narratives, expand their funding for activities and build a diverse leadership.



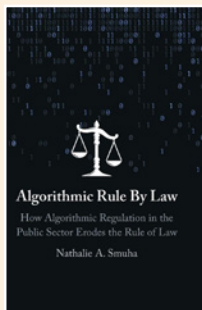
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From law to code

The silent erosion of democracy and accountability

by Monty Aal



Algorithmic Rule by Law. How Algorithmic Regulation in the Public Sector Erodes the Rule of Law

Nathalie A. Smuha

Cambridge University Press, 2024

Imagine the following situation: you are watching the evening news, and the minister in charge of social affairs proudly announces a massive investment in digitalising the various public bodies responsible for providing government aid to citizens – for example, unemployment benefits or support for families with young children. The minister promises an end to mountains of paperwork, weeks- and months-long waits for mandatory in-person appointments, and long processing times. Instead, modern digital systems using AI and algorithms, deployed alongside civil servants, will enable citizens to access public and user-friendly services online efficiently. A win-win for all, it seems, and your thoughts drift to the last time you had to wait weeks to get a response from your local government office. In the meantime, the news anchor has already moved to the next item.

What the minister's announcement glosses over, however, is a more troubling dimension

of this shift. **When public authorities delegate the implementation of legal rules – such as those that stipulate who is or is not entitled to certain benefits – to algorithmic systems, they inevitably outsource a range of consequential choices, about how the law is interpreted, how edge cases are handled and whose interests are prioritised, to the often private developers and vendors who build and maintain those systems.** Decisions that were once made, however imperfectly, by accountable public officials operating within a legal framework are quietly transferred to actors who bear no equivalent democratic mandate or legal obligation. **The efficiency gains are real and visible (at least initially), while the accountability losses are structural and largely invisible, buried in procurement contracts and technical specifications that few will ever scrutinise.** It is precisely this silent redistribution of public responsibility that lies at the heart of the rule-of-law problem that Nathalie Smuha sets out to diagnose in her

timely and ambitious work, *Algorithmic Rule by Law – How Algorithmic Regulation in the Public Sector Erodes the Rule of Law*.

► *When public authorities delegate the implementation of legal rules – such as those that stipulate who is or is not entitled to certain benefits – to algorithmic systems, they inevitably outsource a range of consequential choices, about how the law is interpreted, how edge cases are handled and whose interests are prioritised, to the often private developers and vendors who build and maintain those systems.*

Smuha advances a compelling and sobering thesis: that the growing reliance of public authorities on algorithmic systems to implement and enforce the law is actively eroding the very rule of law that those authorities are meant to uphold. She conceptualises this threat as 'algorithmic rule by law', a phenomenon whereby algorithms are deployed under a veneer of legality and efficiency, yet function in ways that hollow out the rule of law's protective role. The threat, she argues, is characterised by five interconnected issues: the reduction of applying laws to an IT exercise; the centralisation of normative choices arising when translating law to code in the hands of an opaque class of software developers; the near-elimination of discretion at the level of street-level public officials; the erosion of accountability mechanisms and the introduction of a systemic vulnerability into the legal infrastructure itself. Crucially, **Smuha insists that this threat need not stem from authoritarian intent. Rather, negligence and institutional carelessness are equally capable of producing the same corrosive effects.**

The book – for the understanding of which no prior knowledge of digitalisation and algorithms is needed – spans six chapters, moving from a framing of the central hypothesis within the EU's rule of law crisis, through a technical and normative analysis of algorithmic systems, to a comprehensive assessment of how such systems can undermine core rule of law principles. It then evaluates the adequacy of existing EU legal safeguards before closing with policy recommendations and a reflection on the normative tensions inherent to law and democracy. By virtue of its focus on the public sector, Smuha's book is highly relevant for Socialists and Social Democrats, those who believe in and fight for expansive, competent and well-resourced public institutions with

strong executive capacity in the service of ensuring the well-being of citizens – a goal for the achievement of which digitalisation and the use of algorithms are increasingly presented as not just a solution but a necessity.

More broadly, the book's message should be particularly worrying for all who care about the integrity of our democracies. Whilst overt attacks on the rule of law like those we have witnessed in Hungary over the past decade are well documented and have at least to a degree drawn a response from the European Commission and other competent authorities, less extreme but still noticeable forms of the decay of rule of law, such as corruption or restrictions on the independence of the judiciary seen across several European states, have garnered attention and resulted in the mobilisation of civil society and other pro-democracy forces. However, the type of erosion described by Smuha – systemic, incremental, hidden in code and mediated through the digital backbone of society – not only flies under the radar but can even occur in countries that score highest on democratic benchmarks, such as the Netherlands or the Nordic countries.

Ultimately, **the book challenges us to expand how we view the rule of law and the ways it can be chipped away, and to apply this to the digital world.** Using a host of examples, Smuha demonstrates how seemingly harmless technical decisions delegated to IT staff can have serious consequences for the rule of law and, consequently, for the everyday lives of citizens and the legitimacy of the state. She urges us to demand transparency and democratic accountability in the deployment of public-sector algorithmic systems, and to treat the rule of law not as a technical checklist but as a living normative commitment requiring constant, collective tending.

► *Smuha insists that this threat need not stem from authoritarian intent. Rather, negligence and institutional carelessness are equally capable of producing the same corrosive effects.*



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Policy analyst on Digital, FEPS



Two prosecutors

by *Sergei Loznitsa*
France, Germany, Latvia, Lithuania,
Netherlands and Romania, 2025

For most of this Kafkaesque nightmare set in the USSR in the 1930s, one wonders about the second prosecutor of the title, since it is mostly around the first, Kornyev, a young, recently graduated, idealistic lawyer that the fifth fictional film by Sergei Loznitsa revolves. Loznitsa – a Ukrainian director of Belarusian origins, mostly known for found-footage documentaries, such as *State funeral* and *Maidan* – has based this film on a novel by Georgy Demidov. A physicist who was imprisoned in a Siberian gulag for 14 years, Demidov produced a literary work that was translated and published only in 2008, and that remains relatively unknown to this day.

In the Soviet Union of the Stalinist purges, Kornyev is forced to realise that the ideals of the October Revolution have been swallowed up by an unscrupulous, power-hungry political class composed of incompetent Stalin loyalists. A genuine belief in socialist equality and working-class solidarity no longer offers any protection against the risk of being accused of dissent, which authorities perceive as an infectious disease. And putting one's trust in the rule of law inexorably leads to the hell of Soviet prisons and torture.

Loznitsa employs a locked-off camera with a claustrophobic, narrow frame. He favours low-saturated colours and thick shadows. Noisy metal gates and barred windows intensify the feeling of entrapment, while dark, narrow stairs descending into the abyss, and wide, opulent staircases climbing malign power hierarchies – and leading to the second prosecutor of the title – create a sense of inevitability. The director's use of side-lit, at times 'Caravaggesque', compositions emphasise physical deformities and environmental decay, creating an atmosphere that is at once theatrical and stark.

The viewer is drawn to accompany the stubborn prosecutor in his Kafkaesque judicial struggle, in both bare and sumptuous waiting rooms, through the absurdities of Soviet bureaucracy, bizarre encounters and surreal attempts to deter him. It is a crescendo of tension where little happens and yet so much is implied. From the beginning – and this is no spoiler – the audience is aware that Kornyev's journey has no return, that nobody can be trusted, that there can be no salvation.

Loznitsa's film is a masterful account of Soviet authoritarianism and the machinery to silence dissent, built on countless mediocre accomplices. But it is also a powerful and tragic portrait of human faith in justice and the power of law.

Hedwig Giusto



Argentina, 1985

by *Santiago Mitre*
Argentina, UK and US, 2022

In 1985, Argentina is still reeling from the last military regime that had ended barely two years earlier. Public prosecutor Julio Strassera (Ricardo Darin), an inconspicuous, fearful and unassuming public servant, is chosen to make the government's case against the military junta for alleged crimes against humanity after the military courts refuse to press charges.

Argentina, 1985 recounts the prosecution in an almost documentary manner, following the events step by step as they unfolded: Strassera struggles to find lawyers to form his prosecution team, as senior lawyers refuse to risk their reputations or safety. He teams up with Luis Moreno Ocampo (Peter Lanzani), who later became the first prosecutor of the International Criminal Court in The Hague, and together they build a team of young law graduates who do not yet have careers or any standing to lose. Given less time – in his own words – "than for prosecuting a chicken thief" to constitute water-tight proof that the junta's acts amount to a systematic and planned case of crimes against humanity, his super-enthusiastic team scrambles across the country, digging up victims of the military dictatorship in the remotest places and gathering scarcely bearable testimonies of the abuse, brutality and humiliation that the victims had to endure.

And it is precisely the enthusiasm of those young graduates that permeates the film with a 'we-can-do-this' energy and an almost revolutionary drive, which, in the end, allows the modest Strassera to rise to the challenge and emerge as an implacable accuser of the military junta. Initially scared – in his own word again: "shitless" – of the still-pervasive power of the members of the former junta, his voice turns solemn, commanding gravitas and respect, when he reads out his carefully crafted indictment, while the film turns into a jubilant celebration of the power of the law, and particularly the power of the word. When he thunders his last sentence, the historic "your honours: never again!", the courtroom falls eerily silent, before resounding applause leaves us in no doubt that this was a cathartic moment in the country's history.

Against all odds, Strassera manages to have most of the members of the junta put behind bars – the first time ever a civil court had pronounced such a verdict. And the film manages to make its mark as a monument to integrity and the patient groundwork required to heal a traumatised nation.

Olaf Bruns

POLICY BRIEF

EUROPEAN SOVEREIGNTY AND THE SOCIAL DIMENSION

REASSERTING EUROPE'S SOCIAL-DEMOCRATIC MODEL
IN TURBULENT TIMES

Edited by László Andor and Robin Huguenot-Noël

POLICY BRIEF
March 2026

FEPS
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EUROPEAN SOVEREIGNTY AND THE SOCIAL DIMENSION

REASSERTING EUROPE'S SOCIAL-DEMOCRATIC MODEL IN TURBULENT TIMES



ABSTRACT

Decades of neoliberal policies have produced economic imbalances, social polarisation and political instability. The transatlantic rupture, since the return of Donald Trump, adds considerable pressure on European integration. Building European sovereignty and reasserting our social model based on a sustainable development regime are three sides of the same complex agenda.

Today, the US-inspired blueprint of the conservative-right policy agenda focuses on deregulation and a dilution of European regulatory autonomy. This contradicts the European policy decisions that produced the European Pillar of Social Rights, and its Action Plan adopted in Porto, and the La Hulpe declaration.

European sovereignty demands a social foundation, not a US blueprint. A strong Europe abroad depends on resilience at home. Sovereignty must therefore include a renewed and reinforced social dimension, with enhanced investment capacity and safety nets. This also means protecting citizens, strengthening solidarity, and ensuring democratic control over economic power.

This policy brief offers to revive the progressive thrust of EU governance amidst this new geopolitical reality. It proposes a new EU socioeconomic steering agenda around the following points: promote the social model as a key dimension of the European sovereignty agenda; build EU borrowing capacity; tighten economic steering and social rights; revive public services; and restore social targets at the heart of the European integration agenda and its governance.

This Road to Porto 2.0 would deliver the pillars needed for European sovereignty to gain political legitimacy and strengthen the social democratic features of European integration.

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Five years after the adoption of the Action Plan for the implementation of the **European Pillar of Social Rights** in Porto, this policy brief proposes a new EU socioeconomic steering agenda.

This policy brief argues that European sovereignty cannot be reduced to military or geopolitical autonomy. It demands a social foundation, not a US blueprint. **A strong Europe abroad depends on a resilient Europe at home.** Sovereignty must therefore include a renewed social dimension, which means protecting citizens, strengthening solidarity and ensuring democratic control over economic power.



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