A Progressive Euro Regime

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The EU at the Crossroads

1) Squeezed between Trumpist USA and Xi's China, with wars on its borders and beset by much migration.
2) Internal strife amidst political fracturing, with Eurosceptic Far Right on the rise in key countries.
3) Blocked by internal governance stalemate, with incomplete reforms (Banking Union, Capital Markets Union) hampering its internal growth process and global leadership capacity.
4) On defense concerning Green New Deal, adding to dangerous primacy of AI "techno-economic" paradigm over "ecological transition" paradigm. First means war, second means reform.
5) In need to contribute meaningfully to transition from dollar standard to multi-polar configuration => need for "Third Way" coalition (building on trends already under way).

Pillars of progressive euro regime

1) Sustainability" Account:

1000€ for every EU Citizen. Voluntary additions. Long-term compounding. Money-creation process to fund rest of regime (both ECP-PB nexus and/or GSP).

2) ECB-PB Nexus:

Issue of inflation-adjusted bonds (like TIPS in US), with real yield of 1.5%. Allow PB to finance federal spending projects (e.g. infrastructure, public services, Green New Deal aspects, migrants' integration). Help close EU's investment gap. Serve as "safe" asset to help internationalization of euro.

3) "Green" Securitization Platform (GSP):

Issue of asset-backed GSSS (green, social, sustainability, sustainability-linked) bonds to fund sustainable development across the world (within a "Third Way" coalition of allies).

The GSP's Funding Tracks (GSSS)

- Green Bonds:

Funding "green" technologies (heat pumps, carbon capture, etc.).

- Social Bonds:

Financial support for Social and Solidarity Economy (commons, coops), addressing our "crisis of mode of production."

- Sustainability Bonds:

Funding "conditional" climate policy objectives of Global South countries; together with other central banks, sovereign wealth funds, blended-finance arrangements. Realize COP 29 and COP 30 goals.

- Sustainability-Linked Bonds:

Support creation of ecological-transition infrastructure of project verification activists, merit-based "social return" rewards, pollution phase-out incentives, income support for most vulnerable groups.

Social Tranching of the GSP

- Reward Tranche (besides Super-Senior and Senior Tranches):

Give successful projects debt relief (e.g. turn loans into grants, extend maturity, lower interest payments, debt forgiveness).

- Participation Tranche:

Turn bonds into open-ended participation shares, which transform passive investors into active partners (if they chose to do so).

- Social Ex-Ante and Ex-Post Validation:

Combine top-down funding with bottom-up project evaluation and assessment of its implementation by hiring groups of well-trained activists all over the planet. Build a global knowledge commons..

- Social Discount Rate and Social Value Accounting:

New practices for cost-benefit analysis and returns, such as low SDRs and more complete version of SVA, together with social cost of carbon