



By: **Brian Judge**

# Digital euro - a highly visible European institution that makes life easier



After years of preparation, the EU's three governing bodies—the European Parliament, the European Council, and the European Commission—are finally ready to begin formal negotiations on the digital euro.

When they do, a project once conceived as a technocratic modernization of monetary infrastructure will become one of the most politically contested items on the bloc's agenda.

The Commission and the European Central Bank (ECB) have described the digital euro as an effort to adapt fiat currency to the digital age.

That framing, while incomplete, carried the project through the technical preparation phase. It will not carry it much further.

The digital euro is not merely a technical upgrade. It is a political project in the long tradition of European institution-building, and its success or failure will ultimately depend less on engineering than on whether Europe's leaders are willing to defend it.

Resistance is likely to emerge from several directions. US President Donald Trump's administration has adopted an openly hostile stance toward central bank digital currencies while promoting dollar-denominated private stablecoins.

Russia will almost certainly treat the digital euro as another front in its hybrid war against Europe.

And within the EU itself, Euroskeptics will seize on the project as proof of technocratic overreach and turn it into a magnet for conspiracy theories.

European policymakers have spent years laying the technical groundwork for the digital euro. They must now approach the political struggle over its future with the same rigor.

## Europe's project is under immense strain

For nearly 80 years, Europe has pursued what the late British historian **Tony Judt** described as the construction of collective capacity to compensate for individual weaknesses.

The European Coal and Steel Community, the common market, the single currency, the Schengen Agreement, and EU enlargement—each was an act of political will that helped turn the catastrophe of World War II into a durable system of shared institutions.

Taken together, these efforts constitute one of the most successful political experiments in modern history.

But Europe's decades-long integration project is under immense strain. As Russia continues to wage war on Europe's liberal democracies, American security guarantees can no longer be taken for granted.

Meanwhile, China is reshaping global trade in ways that pose an existential threat to Europe's industrial base.

**The freedoms European integration has delivered are real but easily taken for granted**

As German historian **Kiran Klaus Patel** has argued, the EU's self-image has often outpaced its actual achievements.

In practice, integration has been uneven, fueling resentments that far-right parties across the continent have exploited to gain power and undermine the European project.

For many Europeans, "Europe" registers less as a political community than as a distant abstraction—a source of regulations, constraints, and acronyms that rarely improve daily life.

The freedoms European integration has delivered are real but easily taken for granted.

The costs, by contrast, are concrete and easy to resent. Any political project sustained by elite consensus and treaty law would be

inherently fragile.

## Only 42% of Germans have heard of the digital euro

At the heart of this fragility is what the late German philosopher Jürgen Habermas described as the “**lure of technocracy**”: the temptation to advance European integration through mechanisms that circumvent the democratic publics in whose name it is pursued.

The digital euro, conceived by experts in Frankfurt and Brussels, risks falling into the same trap, because decisions that are technically sound but poorly understood are easy targets for political attacks.

A recent **Bundesbank survey** underscored the problem, finding that only 42% of Germans had heard of the digital euro, and just a quarter of those could accurately explain what it is.

Habermas, however, pointed toward a remedy: a shared European identity grounded in broad participation in common institutions.

**Most forms of European integration, from regulatory harmonization to fiscal rules, remain invisible to ordinary citizens**

The digital euro could provide precisely that kind of shared experience. Most forms of European integration, from regulatory harmonization to fiscal rules, remain invisible to ordinary citizens.

But a digital currency would allow hundreds of millions of Europeans—most of whom know little about the institutional mechanics of integration—to interact daily with the same payments system, using the same interface, wherever they are in the eurozone.

The single market has proved remarkably easy

for American companies to dominate.

About two-thirds of the eurozone’s credit-card transactions rely on Visa and Mastercard, and 13 of its 21 members **lack a domestic alternative**.

Each transaction carries fees that function as a private tax on European commerce.

## A highly visible European institution that makes life easier

The EU’s current push for strategic autonomy in defense, semiconductors, and cloud infrastructure means little if it does not extend to the payment systems that underpin Europe’s economy.

For a generation that has experienced integration primarily as a set of constraints, the digital euro could become a highly visible European institution that makes life easier.

Few initiatives on the European agenda could demonstrate the tangible benefits of integration and cross-border cooperation as effectively.



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Whether the coming years re-establish the European project for a radically reconfigured world or mark the beginning of deeper fragmentation may well depend on how the debate over the digital euro plays out.

A united EU would remain a continental power uniquely committed to liberal democracy, human rights, and a sustainable future, while a fractured Europe would be far more vulnerable to external coercion.

The ECB cannot make the political case for the digital euro. The European Commission, national governments, and the European Parliament must do so.

And they must be honest about what they are defending: the digital euro is not simply an effort to modernize the eurozone's payments system; it is a European institution that happens to take the form of a payments system.

Policymakers must make that case clearly and forcefully. The digital euro must not become another technocratic artifact, imposed from above and widely distrusted. It must be a living expression of Europe's highest ambitions.

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