A Manifesto for Blockchain

Embracing its Potential in
the European Union

The European Union (EU) is at risk of falling behind North America and Asia in the global race for the future digital economy, as demonstrated by its reliance on foreign digital service providers and the limited number of unicorns and start-ups compared to its competitors. This race is characterised by the development of innovative technological advancements that bring unique opportunities, principles and embedded values. While we recognise the intrinsic value of technologies like artificial intelligence, virtual reality and robotics, we believe that blockchain will serve as the trust layer for the convergence of all these technologies, allowing them to build upon each other and form the framework of the future digital economy. **This manifesto is our pledge to promote the use of blockchain technology for the greater benefit of all and to do so based on shared values around decentralisation, privacy, security, transparency, sustainability and legal/regulatory compliance.**

Blockchain is more than a technological advancement. It stands as a symbol of positive and transformative potential in an era of significant changes. Although initially focused on IT and finance, blockchain goes far beyond digital innovation in financial services: It is also about building a better internet, one that offers a solid framework for unparalleled transparency, trust, and citizen empowerment. In this sense, as we will show, blockchain is closely aligned with EU aims and values. For example, it enables tools that make judicial and governance processes transparent, and supply chains faster and more ethical. Marginalised groups have access to services and a voice through digital identities, and the economy is strengthened with new and more inclusive financial applications. By fostering decentralised digital rights, blockchain helps strengthen human rights and ensures these values remain at the heart of the EU's digital transformation.

Blockchain's capacity to enhance data security, trust, and data immutability positions it as an ideal solution for interlinking diverse technologies and systems including data spaces, cross-platform applications, machine learning and AI models, IoT devices, supply chain networks, healthcare data, energy grids, carbon offsets, and digital identity solutions.

Blockchain and regulation

As technology advances, the blockchain industry recognises the necessity for close collaboration with regulators. The EU, exemplified by its recent Markets in Crypto-Assets (MiCA) Regulation, showcases its intentions for global regulatory guidance. Yet, regulation is just one of the elements driving global adoption.

The EU must now increase its focus on harmonising its policies and services, promoting standardisation globally as well as internally between European states and bodies. This means ensuring there is an appropriate exchange of information between different authorities and stakeholders, not only to increase understanding of the technology but also to ensure that policymakers achieve a harmonised regulatory landscape. Moreover, this requires bolstering public-private partnerships, championing digital literacy, and fostering the growth of technology. In the global process of digital transformation, timing is essential. In order to keep the EU on a positive economic trajectory it is paramount to act now, reevaluate our current business models, and reinvent our economy's incentives structures.
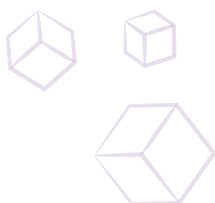
Building a future-proof European digital economy

Achieving this vision will require a proactive and forward-thinking EU. One that shapes its forthcoming political agenda with a clear emphasis on: competitiveness and single market innovation; social impact and sustainability; and digital transformation. The next section highlights our vision for the transformative role of blockchain technology in these key areas.

• Competitiveness & Single Market Innovation:

The EU must enhance its strategic autonomy and competitiveness, strengthening its Single Market and strategizing for self-reliance in global trade. As already recognised by the European Commission in its recent recommendations on 'critical technologies', merging technological innovations like blockchain into supply chains, processes, and transactions can have a revolutionary effect, elevating and empowering the EU's SMEs. B**y harnessing blockchain's potential, the EU has the opportunity to improve global trade transparency, bolster cybersecurity, and establish advanced verification systems by having trade documents and certifications of origin running on blockchain networks.** Automated blockchain-driven mechanisms, including smart contracts, tokenization of real-world assets, and data auditability, will allow the EU to boost inclusive, participatory decision-making processes that bolster the competitiveness of its Single Market through a continuous flow of trade and financial data exchange on the global stage.

By taking these steps, the EU can capitalise on digital disruptions and translate blockchain into real economic growth and job creation, which can help pay generational dividends.

• Social Impact & Sustainability:

Blockchain sits at the frontier of socioeconomic change. Blockchain decentralises existing systems, enhancing accessibility and security. It provides users with more secure and compliant access to financial and other tools. In a world full of challenges around data privacy and security, blockchain offers a digital future where individuals own their data, where their information is safeguarded, where transactions and decisions are transparent yet private, and where the trust between institutions and individuals is rebuilt, and fortified. **By embracing this decentralised digital renaissance, the EU can safeguard the values and fundamental rights on which it has been founded while promoting a future upholding democracy, human rights, and the rule of law.** Central to these advancements however is a clear necessity for education. Integrating blockchain into academic curriculums, establishing expert-led knowledge-sharing programs, crafting collaboration initiatives with universities, and disseminating educational materials ensuring both blockchain and financial literacy first requires a number of concrete actions so that all citizens - regardless of background or status - benefit from an inclusive digital landscape.

Blockchain also offers ways to achieve our global climate goals, with solutions for transparent carbon tracking, green supply chain management, decentralised energy grids, and smart cities. It is a tool that can make our industries greener, our consumption more sustainable and transparent, and our commitment to the environment stronger. As the continent pursues ambitious targets under the European Green Deal and leads a transition towards renewable energy sources, blockchain's transparency and efficiency can play an instrumental role. By integrating blockchain, the EU could more effectively monitor, validate, and achieve its sustainability goals, ensuring environmental responsibility through technological innovation.

• Digital Transformation:

In our data-driven world, the power to efficiently process and transfer information distinguishes the relevant from the obsolete. The EU's push towards a truly digital economy is intimately connected to its proficiency in data utilisation. Marking its dedication, the European Commission laid out a blockchain strategy in 2018 that emphasises environmental sustainability, data protection, digital identity, cybersecurity, and interoperability. The first implementation of this strategy was the establishment of the European Blockchain Services Infrastructure (EBSI), which aims to provide an infrastructure for cross-border data transfers allowing for the deployment of projects and use cases between Member States.

The EU should continue to consolidate its data economy, offering universally accessible digital services ranging from digital identities to digital assets provided by both private and public sectors. It should leverage advanced cryptographic techniques including zero-knowledge proofs - allowing the sharing of sensible data proofs while remaining compliant with privacy and AML requirements. The European Digital Identity Wallet (EUDIW) is an example of such public-private partnership aimed at promoting the creation of digital twins and industrial tokenisation in the EU. In an age where decentralising forces are reshaping business and the transfer of value, blockchain fundamentally re-organises what it means to be an individual in a digital world. Concepts of identity and self are evolving and taking root in new forms of decentralised collectives, which are emerging to form the basis of not only the future economy but society as a whole. **There is an opportunity to leverage these tailwinds to reinvent our economy's incentives structures and business models, while adhering to the EU's identity rights and values.**

Technology should not be promoted for the sake of novelty alone but because of its societal and economic value. To that end, blockchain is by default a strategic lever for problem-solving and self-organisation, inclusion, and grassroots democracy. At the same time, it is a driver of economic incentives and disruptive business models available to everyone, everywhere, at any time. As it facilitates and scales trust, coordination, and cooperation - virtues that the world is missing so dearly - blockchain can trigger the transformative potential of an era struggling to find solutions for complex political, social, economic, and environmental problems.

Achieving the vision outlined in this manifesto requires collaboration between policymakers, businesses, academia, and civil society. It is crucial that regulations adhere to the principle of proportionality, ensuring consumer protection without stifling innovation. As blockchain technology constantly evolves, regulators will benefit from engaging with industry players who possess deep knowledge, allowing for accurate and informed oversight. It is essential for the EU to foster cooperation with citizens, advocacy groups, thought leaders, and pioneering stakeholders who have dedicated years to the advancement of this groundbreaking technology. **To fully leverage blockchain capabilities, it is vital to allocate dedicated funds to develop blockchain applications for the real economy, engage closely with industry participants, including Web3-native companies, advance educational initiatives to increase literacy around these technologies, and promote transparent dialogue and knowledge-sharing to fight misconceptions.** In a time of fundamental change, the EU has a once-in-a-generation opportunity to seize to create a cohesive framework for the future. Furthermore, the economy needs to be reinvented based on future-proof business models in alignment with both EU business traditions and technological innovations. Reinventing these business models is what will make our economy more competitive, our society more just and sustainable and lead us to the digital future. **Let us all champion an EU that protects the holistic well-being of every individual and safeguards human rights and freedoms for generations to come.**