

## **What would be a larger understatement – than to say that we are living a critical year in the EU?**

I am writing these lines while reading the AAE Newsletter (Issue No 14 – February 2019) and especially its “News from the Institutions”. In the AAE we are heavily interacting with these institutions – some of the members of our Board are visiting stakeholders in Brussels on 19 February with our messages [link].

The EU is going through many changes during this year. A new Parliament will be elected, a new Commission will be chosen. And all this is happening with (my very personal opinion, sad) implementation of the Brexit in one form or the other. In addition to this we might be experiencing some form of a return to the normal, i.e. interest rates that are safely positive. But I also feel I am in a good position to play my role as the chairperson of the AAE – my home country Finland will start its presidency for the second half of this year.

It is important to realise that during its existence the European Parliament has gained a huge importance. In Finland we will have during this Spring not only the European Parliament vote but also the election of our own Parliament. It is strange that locally here in Finland there is much more interest in the election for our national Parliament than on who we will elect for the European Parliament. For example, our media is publishing weekly polls on what will happen with our local Parliament, while I have seen no forecasts about the Finnish seats in the European Parliament. And all this while the EP has such a huge impact in our legislation.

In earlier years European legislation was more or less decided by the European Council, in negotiations with the Commission. Today everything happens in these so-called trilogues, where the actual and fairly equal decision makers are the Council and the Parliament, with the Commission acting as kind of a deal maker. Especially in the financial sector, including insurance and pensions, national rules are to a large extent derived from EU legislation. Especially in that sense it is weird that so little Finnish emphasis is on the EP election.

Besides its general importance the vote of the EP has special importance during this year. Traditionally the two biggest “parties” in the EP have had absolute majority. And both these “parties” have been positive to a harmonised Europe. It is very uncertain whether this will be the case after the elections of this Spring. It can very well be that there is a need for new coalitions in the Parliament (and maybe also in the Council) to avoid Europhobic initiatives. I must here again stress that this is my personal opinion – I am personally adamant with the view that it is good for Europe to build a stronger Europe.

There are many things that will continue as before in the future. At least one thing will be emphasised – and I am personally happy with that as I am very much locally stressing its importance – with the Finnish presidency. It will be the fact that sustainability, and in particular mitigating climate change, will be in the centre of the European agenda. I personally feel the actuarial profession should have a very central role in this area. We have a lot of tools to help our globe to survive – isn’t pooling of risks one of the first inventions to achieve great results with minimal resources?

I have already expressed my personal opinion on Brexit. But Brexit is something we need to respect. All we can do is to minimise its negative impacts. It is still impossible to anticipate all its consequences. But I think everybody in the AAE wishes there will be no hard border between the IFoA actuaries and the rest of European actuaries.