

# THE FUTURE OF EUROPE IN THE HANDS OF ITS CITIZENS



AIACE-SPAIN CONTRIBUTION TO THE CONFERENCE ON THE FUTURE OF EUROPE



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ABRIDGED VERSION

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## **THE FUTURE OF EUROPE IN THE HANDS OF ITS CITIZENS**

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***Europe's old ghosts have come back in these last weeks. We can't stay neutrals. The future of Europe is again challenged in Ukraine. As AIACE Spain, we want our voice to be heard.***

*In these sad days of Russia's invasion of Ukraine, followed by war against the country and its people, with allegations of war crimes being committed, we experience the worse spectrum of war returning to Europe, to that part of Europe which is not of the EU but belongs to the European family. While the EU, our common home, has protected Members States from war amidst ourselves and from others, this has not served to protect other European countries, first the Balkans and now Ukraine, from war.*

*We cannot simply seat and wait, and in recent weeks, we have shown our willingness to strengthen our idea of a peaceful continent, beyond our strong response:*

*Using economic and trade sanctions against Russia.*

*Deciding to finance at EU level military equipment and reinforcing our security in our eastern borders have been also powerful reactions.*

*Stating that Ukraine itself could also join the EU when they are ready to meet all conditions for accession.*

*And above all, opening our borders to millions of Ukrainian citizens, mothers with their children, women, and, in general, the most vulnerable. All of them have found refuge in our EU land. One day, many of these refugees will return to their home country. By then, they will be one of us, their gratitude and our sorrow to see them go will be immense.*

*We have decided together on all these issues. We cannot fail. Our commitment to being a credible and strong global player depends on it.*

## **PRESENTATION**

The introduction to this contribution from AIACE to the Conference on the Future of Europe, mentions what motivates this association, which in a significant way represents former staff of the European Civil Service (EPS) to wish to take part in the Conference. It is a certain "legitimation" obtained from having contributed to make the process of European construction possible. And, in this sense, a certain added value that it could offer to the consultation process of this Conference.

*"Europe wouldn't be what it is today without you"*, this is what the Commissioner for Budget and Human Resources said in a message sent to Lisbon in 2018, where AIACE was celebrating its 50th anniversary with a round table on, precisely, the European public service. This led to a declaration that was recently submitted to the President of the Commission and the Presidents of the other European institutions.

AIACE maintained, as the foundation of its reflections and expression of the principles that support and characterise the structure of this public function at the service of Europe, that the conception that is at its origin and in its special nature, is inseparable from the same special nature of the European construction process.

The experience of having been part of the "engine room" that constitutes the EPS, allows us to corroborate that the preservation of these principles and their nature must be specifically mentioned in any debate and reflection on the future of Europe.

The EPS cannot, then, be absent from the considerations and proposals of this contribution. We have thus wanted that this appear as a foreword to this contribution and its proposals. A modern EPS, ready to confront new challenges, new policies and institutions and adapted to the process of integration, will need to be designed and then implemented, while preserving its unique and *sui generis* nature and its fundamental principles, rendering them compatible with the processes and strategies for adjustment in human resources management and any regulatory changes. As a synthesis of the

position expressed formally in the said declaration, we offer here a significant summary:

*“The European Public Service (EPS) must of course continue to adapt to the new circumstances of integration, requiring an increased political responsibility for the EU institutions. It is then of uttermost importance to ensure that the defining characteristics of the EPS - professional competence, independence from the Member States, multilingualism and European conviction – are safeguarded, as an essential part of ensuring the proper functioning of the Union.*

With this contribution from AIACE to the Conference on the future of Europe, we are doing no less than continuing the path that has motivated our work during our active years in the European public service.

AIACE joins its efforts to those of many European citizens and groups that are formulating proposals to stimulate, transform and lay down the project of the European Union.

We hope that in a not so distant future, some of these proposals after undergoing a political scrutiny, will end up on the desks of the officials of the European Public Service, which undoubtedly, will be itself the target of profound reform. The great transformations that we foresee for the European Union, such as the implementation of the digital agenda or the green Pact, will impact on it, too.

We are confident that in the future, as it is the case today, it will be possible to continue to say: *"Europe wouldn't be what it will be tomorrow without you"* - An honor, a challenge and a great responsibility.

*Joaquin Diaz Prado*

*President of AIACE Spain*

## EXECUTIVE SUMMARY

The "Conference on the Future of Europe" (CoFoE), officially inaugurated on 9<sup>th</sup> May 2021 by the Institutions of the European Union (EU) aims to listen to the opinions of all Europeans, especially those of young people, about the future of Europe. It is the first organised attempt to apply the concept of participatory democracy without which advances in European construction run the risk of being questioned or rejected by European citizens.

AIACE International has decided to take part in this consultation and AIACE Spain has joined in. Our Association made up as it is of former officials of the European Civil Service has, for decades, contributed to forging the construction project of the EU with our commitment and our work in the Institutions. We bring a clear "added value" and knowledge of the internal workings which we intend to put to good use with our contribution.

The Founding Fathers' goal of an ever closer Union based on an incremental strategy has been realised. The trend, although not without its twists and turns, has unquestionably been heading towards more Europe. But more Europe means that Europe has to stand up, be a responsible and accessible partner for European citizens.

The crises that previously were only national and for which Europe was the solution, are now European and Europe has to find answers within the institutional framework that we are building, since Europe is an ongoing system still in the making. This is where we are, as the recent economic crises, the COVID-19 pandemic and the Ukrainian crisis show.

Precisely the war in Ukraine has unleashed a deep sense of our pan-European identity. At the end of February of this year, we have written that the external environment has changed. Today, the human tragedy of that war, once again European, reminds us of the origins of the European Union, why and for what the European community was created. The enormous risks that it entails for European and global security and the negative consequences in so many areas will force us to take a leap forward in our ability to be leading actors and not luxury secondary players in the world coming upon us.

We live now in an uncertain multipolar world, cracked apart by the pandemic, threatened by climate change, one in which old alliances can brake and new global actors emerge. It is an increasingly global and interdependent world. Europe must take ownership of her future and defend it, alone if necessary. For this, we need a common European vision, one that allows us to act together.

We need to invest in our strategic autonomy to strengthen our internal policies, such as the internal market, digitisation or climate change, not only concerning goods or services but also with standards and governance which prepare us to provide a unique and united European response to external challenges in multilateral institutions.

The closest to a definition of the concept of strategic autonomy is contained in the Council Conclusions of November 2016: “the ability to act autonomously when and where necessary, and, whenever possible, with partners”. The principle of strategic autonomy could perhaps guide our European development now, as the principle of subsidiarity or proportionality has, when confronting the internal challenges of past decades.

In this context, AIACE-ES’s contribution to the Conference focuses on eight of the nine proposed themes: those dealing with democracy, values and rights, with the economy and with the new priorities of the EU. For each of these themes, the Paper identifies deficiencies and limitations that would benefit from further European integration. We then present proposals aimed at redressing the situation through reinforcing EU institutions and/or policies, and in so doing, contribute to improving the welfare of its citizens.

We do not limit our proposals to those that can be accommodated within the Treaties currently in force because some of them call for Treaty changes. Our aim is to have a better Europe by improving the functioning and effectiveness of policies inside and outside Europe, one in which citizens can feel they are part of a greater project. The Member States, which are the owners of the Treaties, will have to listen the voices of citizens, then taken decisions as to which way to go and carry citizens along. This is the challenge we want to contribute to.

The Paper is divided into three parts. The first deals with the political criteria - principles, values, democracy and so on; the second, on economics at EU level - the Single Market and EMU; and the third, on five priority policies - climate change, the digital world, health, security and defence and finally migration flows.

**Part I** focuses on two sets of related issues. The first set deals with fundamental principles, the Institutions and the democracy of the EU. The Union is a model unique in the world, because of the principles and values upon which it is founded, the advances on socio-economic matters and above all, because of the subjection of all its institutions to the rule of law and the guarantees it offers in the exercise of rights and liberties to all its citizens. It reiterates the importance of the continuous promotion of democracy and human rights and of reinforcing the Union as a Community based on the rule of law. It asserts firmly that what is known as the Community Method is the best one for the functioning of the EU. It makes many proposals for improvements, such as, making progress in the constitutionalisation



of the Treaties; and the inclusion in the Treaties of a definition and characterisation of the 'Community Method' as a constitutional principle.

The second set has to do with the institutional architecture of the EU. Examining the sources of its legitimacy it states that a Union as a Community of Rights and with a strong constitutional dimension needs an institutional architecture with a clear democratic legitimacy, accepted by all its citizens and functioning in an efficient manner. It notes that it could gain from more transparency and efficiency in all its decision-making procedures, vis-à-vis the Commission, Council and Parliament. Proposals are made, such as to move from the current system of "alliance of political families" to a system of authentic European political parties; the formalisation of the system of policy "clusters" with greater powers delegated to the Vice President of the Commission who would head up the "clusters"; and constitutionally consolidate the *spitzen-Kandidaten* procedure.

**Part II** deals with the integration of the EU economy and its transformation towards more resilience and solidarity and aiming for greater strategic autonomy. It first looks at the Single Market (SM) as the corner-stone of the EU economy and EMU. It acknowledges that the SM still lacks sufficient integration and internal cohesion in some key markets such as the digital one and in some key areas such as value chains. It then proposes to complete and strengthen the resilience of the Single Market with measures which aim at further integrating key markets, increasing employment, better allocation of resources and the construction of the EU strategic autonomy, such as reducing EU dependency on third markets for strategic products.

We then turn our attention to social policy, towards one that will ensure social rights in the EU, as well as fostering the mobility of workers in the MSs. Economic crises and the pandemic have increased the need for an effective social policy. Proposals already made are heading in the direction of facilitating mobility of workers through validating and harmonising the social policies of MS (building bridges), providing appropriate continuous education and training for workers confronted with technological change. Harmonising tax-policy in MS will also help.

We look very positively at the Recovery Fund "Next Generation EU" as a proper instrument to deal with the detrimental social and economic impact in the EU of the Pandemic. We believe it will intensify its resilience. We pose the following question: why should it not become a permanent instrument in the EMU toolbox? In answering, we offer suggestions to contemplate this possibility.

Our last economic section deals with EMU governance. We underline the need to complete it with new instruments, policies and institutions which could ensure the sustainability of the EMU and the euro and increase resilience at MS level. This is because, in its present state, the EMU system has not been able to cope properly with the recent economic crises. To avoid risk of failure, measures have been taken

“in the heat of the fray” which is not a good approach. The case for reform is clear although unfortunately not all MS are convinced of this and hence reforms will continue at a slow and maybe risky pace. We propose a set of reforms which should meet with overall consensus. Among these are: complete the Banking Union and the Capital Markets Union; establish a central fiscal stabilisation capacity; enhance the accountability and democratic control of the EMU. Two other related request are: to integrate the intergubernamental treaties in the legal framework of the EU; and to add political conditionality to the instruments of EMU. We finish by observing that, as the agenda of reforms is likely to be implemented rather slowly, the interaction between future crises and reforms undertaken is likely to affect the program of EMU reforms.

**Part III-1** deals with the new policy priorities of the Union which coincide internally with the major challenges that as a society we are facing: climate change - the Green Pact; the Digital Agenda and the EU of Health. All these policies have two characteristics in common, which are, the presence of strong externalities known to produce market failure, and which therefore call for State intervention; and their global dimension which means they need a response at that same level. These characteristics will need strong EU leadership.

We note that **Climate Change - the Green Pact** - has received ample attention and funds from the EU institutions. Because of its global nature, it needs a common European strategy which exist and be properly applied by all MS. This will not be easy. Not all EU nations attach the same priority to the transition from fossil energies to renewable ones as dependencies and transition costs vary greatly. We propose that citizens are made well aware of national and EU plans to introduce this ecological transition. The EU needs: to accompany these transformations with continuous information at all levels; to support MS, regions and sectors with proper information, funds and technical and scientific advice and know-how. At the international level, the EU must also have a parallel strategy to help those regions suffering from the terrible consequences of climate change through no fault of their own. It also needs a European Diplomatic Service capable of providing incentives and of working hand in hand with Third Countries towards common global strategies and green technologies.

Regarding **the digital agenda**, we note that if the EU wants to be a global actor, it needs to be at the forefront of these technologies. Europe faces serious challenges. First, as producers of digital technologies: an insufficiently integrated SM does not facilitate the surge in growth of companies capable of becoming world leaders which is essential. Second, as users of digital technologies, we are advancing in digitalisation but not as fast in digital transformation. Third, the different pace of digitalisation in the EU countries and territories must be tackled. Lastly, the public Institutions must complete a common legal, fiscal and technical framework of governance that can be applied in all territories. It must deal with what happens to our data, and with Artificial Intelligence. Who supervises them? Who controls them?

We propose looking into how to further integrate the SM in this area; to complete the legislation necessary to protect consumers and businesses so as to ensure a level playing field for all; to adopt a reinforced digital agenda for the EU regions which have been left behind and are thus suffering from a digital divide; to develop the digital competence of the young through the educational system and support the older population to gain ‘survival’ digital skills. We also ask the EU to continue in its efforts to develop ethical standards at international level.

Regarding the **EU of Health**, we acknowledge the tremendous success of the EU in dealing with the control and consequences of the COVID-19 pandemic, both in health and economic terms, despite the limited competence the EU has in this matter. Faced with the global lethal and contagious nature of the disease, MS understood that action at EU level would be the most efficient. Our strategic dependency on Third Countries for basic products to deal with the pandemic spurs the need to develop EU Strategic Autonomy in those products, including the acquisition of vaccines at EU level. We propose modifying Article 168.7 of TFEU so as to be able to develop measures allowing the centralisation of activities during health crises and adopting a framework decision which would authorise centralising actions in the EU Commission. Also, to make HERA the science investigation centre of the EU, networking with national centres.

**Part III-2** deals with the external priorities of the EU, focusing on Security and Defence and Migration flows and their management.

Concerning **Security and Defence**, the Paper regrets the low profile and poor track-record of the EU in this area and pleads for a greater role, namely as a global actor and leader of multilateralism, to counter the ambitions of other actors. It claims that, given the lack of stability at the international level, there is a demand from citizens for higher levels of protection and security. This is corroborated by terrorist threats and recent events, in Afghanistan for example. It states that, luckily in this area, there are many structural elements such as Brexit, or the external policy developments in the USA and their impact on NATO, pointing to positive developments in the near future. To be prepared, the EU needs to define its own geo-strategic position vis-à-vis its neighbourhood at large and Latin America. To this end, reaching an internal EU consensus is a pressing matter. Among the many (9) proposals, all aiming to develop or reinforce aspects of this policy, we underline two: to establish a formal Council of Defence and Security with a permanent Presidency, a Secretariat General and a Defence Staff, answering to the High Representative Vice President of the EU Commission. Another one is to establish a Global Plan Africa capable of contributing to the stability and progress of the countries which form our “Rio Grande”.

Regarding **Migration flows and their management**, this has become a truly divisive theme among MSs, divided into three blocks, and has forced the EU to face a long-lasting humanitarian crisis on its borders without having policy instruments to

handle it. The MSs do not wish to develop a strong common stand. The Paper looks into the well-known reasons of why immigrants arrive on our borders and sees real benefits for integrating these immigrants into our ageing societies. The migrant crisis is here to stay and so is our incapacity to deal with it, as populisms have fed sentiments of fear and insecurity of 'the other' in our societies. Despite the fact that the Treaties only offer a legal base for approximation rather than harmonisation, important initiatives have been put on the table in the last 20 years. It is now time to organise migration flows according to our needs; together with a global system of refugee reception; and we must decide how we wish to be perceived in our neighbourhood. The EU should aim at getting a quick agreement on the various Commission's proposals in its Pact on Migration and Asylum. Namely: within the Global Africa Plan and the national programmes, include incentives for programmes of control of migration flows with the countries of origin; give a strategic impulse to a European policy level to support national integration programmes for citizens of Third Countries in our societies; and lastly to cut the Gordian knot of EU non-competence in matters of legal migration.

**We conclude** our document by recalling the enormous clairvoyance of the words of Jean Monnet:

***L'Europe se fera dans les crises et elle sera la somme des solutions apportées à ces crises"***

The recent crises in the EU have revealed the scarcity of instruments and means to react and respond adequately to them.

The EU is a project under construction. It is often the case that a community policy is first endowed with its basic elements and pieces are added when it is shown that the existing ones are not enough. The EU addresses this lack of power, authority and means, creating mechanisms of approximation, harmonisation, different types of cooperation, structured dialogues, fiscal rules, etc., between the MS and the community institutions that facilitate and allow reaching agreements and finding solutions. However, the ability to take the most appropriate measures consistent with their own values and principles remains limited.

This deficit, which has characterised the EU in its decision-making and in its ability to act, has its roots in the attitude of the MS, which are reluctant to cede larger parcels of sovereignty to the supranational level of the EU, preferring even to remain in a sub-optimal state but that allows them to maintain a greater degree of sovereignty. **As long as this is the case, the construction of Europe will continue to be a difficult and slow task, but one that achieves a clear improvement of results when given the appropriate means.**

Let us hope that the Conference on the Future of Europe will help us to make progress on these goals. We hope that the war in Ukraine will end very soon and that the EU can contribute to extending this space of prosperity, peace and security beyond its borders, towards Ukraine and its people who have put the principles and values that we share above their own lives.

## Listing of Strategic Proposals

In this list we present a subset of all the proposals made that we consider especially important for a balanced and sustainable development of the EU and the well-being of its citizens.

### Part I - European Democracy - Values and rights, rule of law and security

#### I.1 THE FUNDAMENTAL PRINCIPLES, INSTITUTIONS AND DEMOCRACY

##### 1 - Advancement of democracy and human rights

###### **Proposals: What else can be done?**

- 1) **Advance in the constitutionalisation of the Treaties divided into two parts, one dogmatic and the other material, understandable to all European citizens.** The dogmatic part, with stricter conditions regarding its modification, should include, together with the general and final clauses, the principles, including that of “federal” loyalty, and an institutional framework respectful of the dual legitimacy; as well as a citizenship statute with rights and obligations and a federal funding framework.
- 2) **Participatory democracy:** this would be necessary to regulate and develop the provisions of article 11 of the TEU, giving a well-defined space to exercises such as that of the current CoFoE.

##### 2 - Strengthen the nature of the Union as a Community of Law

###### **Proposals: What more can be done?**

- 3) **European political parties. Being a matter of "soft law", it would be necessary to move from the current system of "alliance of political families" to a system of authentic European political parties** that would have the capacity not only to organise the elections to the European Parliament, but also the capacity to establish mandatory guidelines in regarding the procedures for the transposition of directives. In this sense, the involvement of the conference of specialised bodies in European Union affairs would be a supplementary guarantee to clear up problems during the transposition of the Directives and with regard to the application of subsidiarity control by national parliaments.

### 3 - The community method is the most appropriate for the functioning of the Union

#### **Proposals: What more can be done?**

- 4) **Inclusion in the Treaties of a definition and characterisation of the community method as its own constitutional principle.**
- 5) **Therefore, the so-called open or intergovernmental method of cooperation should be left out of the Treaties** and redirected towards a legitimate exercise of defining political orientations and priorities of the European Council, without this implying the exercise of any legislative function (article 15.1 of the TEU).

## I-2 - INSTITUTIONAL ARCHITECTURE: ITS LEGITIMACY AND GREATER TRANSPARENCY AND EFFICIENCY IN DECISION-MAKING PROCEDURES

### 1 - The appointment of the current Commission

#### **Proposals: What more can be done?**

- 6) **Constitutionally consolidate the *spitzenKandidaten* procedure.** The challenge now is to “constitutionally” consolidate this method of appointing the Presidency of the Union in the Treaties to ensure its political significance and with it, the democratic foundations of the Union. This is one of the pending challenges for the next election of the Commission in 2024 and a clear agreement is needed between the European Council and the European Parliament on the necessary procedural rules "of obligation" of result.

### 2 - The European Parliament is the Parliament of the entire Union

#### **Proposals: What more can be done?**

- 7) **Democratic control in areas where not all Member States participate, as well as in the area of foreign, security and defence policy.** To guarantee a proper democratic control also in areas in which not all Member States participate, such as specific actions and decisions of the euro zone.
- 8) **Full legislative power in budgetary matters and economic, fiscal and social governance.** Extend the powers of the European Parliament to its participation in determining the income of the Union, as well as in matters of economic governance, social and employment policies and with respect to foreign, security and defence policies. It is a question of reinforcing the democratic legitimacy and the operability of these essential policies of the

Union, at a time when it is necessary to ensure maximum Community effectiveness in the fight against the health and economic crises. Respect for the principle of solidarity that informs all the dimensions of the Union's action should be ensured, in defence of its position before the world and with respect to the security of its borders and citizens.

- 9) **Consolidate the democratic quality of the system of representation in the European Parliament** through the introduction of a uniform procedure in which, at least, a constituency at European level is established together with the national ones; ideal instrument to strengthen the idea of the election of the President of the Commission based on the results of the polls.

### 3 - For a clearer delimitation of the powers of the European Council

#### **Proposals: What more can be done?**

- 10) **Delimit "a consensus procedure" as the usual form of decision-making**, with a system of hyper-qualified majorities if this is not achieved, thus avoiding blockages in defence of a national interest incompatible with common principles (for example, application of art. 7 of the TEU).
- 11) **Better definition of the role of President of the European Council as *primus inter pares***, including at least better coordination of tasks between him and the President of the Commission, establishing a true tandem between the two.

### 4 - The application of the Unanimity rule

#### **Proposals: What more can be done?**

- 12) **Better regulation and use of the "passerelle clauses"**, which could be activated by "hyper-qualified" majorities (article 48, paragraph 7, of the TEU) authorising the Council to substitute unanimity for qualified majority in matters in which the Treaties demand unanimity.

### 6 - Strengthen the European Commission

#### **Proposals: What more can be done?**

- 13) **Formalisation of the clusters system with greater powers delegated to the Vice President at the head of each cluster.** At least by 2025, what was started in 2014 should be formalised; that is, a Commission with a commissioner for each of the States, but organized vertically in "clusters", with a number of Vice Presidents, decided by the President based on of the number of strategic priorities of his college, that would lead a group of commissioners and that could adopt procedural decisions with the agreement of the



President, except if at least two commissioners not members of the specific "cluster" opposed it.

## **Part II - A stronger economy, social justice and employment**

### **THE TRANSFORMATION TOWARDS A MORE RESILIENT AND SOLIDARITY ECONOMY - in search of the strategic autonomy of the EU**

#### **1 - The Single Market and the ability to create jobs in the EMU**

##### **Proposals: What more can be done?**

A deeper and more extensive MU, operating with common rules respected by all the Member States, which reinforces the competitiveness of European economies, creates more employment so that Europeans can make the most of all their advantages; specifically:

- 14) **Complete the SM in all areas where national markets are not sufficiently integrated and free movement is limited, prioritising energy, sustainable products, artificial intelligence, data and digital services, knowledge or capital markets.** These markets, of enormous importance in modern economies, and in particular energy, are not prepared to face the shocks of the recent Ukrainian geopolitical crisis.
- 15) **Have robust and up-to-date industrial strategies and plans that:**
  - 15.a) **Avoid conflicts between the rules of the SM and temporary national rules.** During the, the initial border closures and other measures adopted by the Member States significantly (and unnecessarily) reduced the free movement of goods, services and people in the MU, breaking value chains and these facts are hindering the economic recovery.
  - 15.b) **Strengthen the open strategic autonomy of European industry, dealing with the risky dependence on third markets in essential products and in strategic areas** (e.g., semiconductors or medical equipment). For this, and depending on the sectors, enterprises could: transfer the production back to the EU; establish alliances between countries inside and outside the EU; create observatories of technologies and repertoires of strategic data. These actions must be developed in cooperation between the European industry and the public sector.

#### **2 - A true social dimension in the Single Market**

##### **Proposals: What more can be done?**

To guarantee social rights in the EU, promote the employability and mobility of citizens and workers in the MU, social inclusion and a prevention network, the following would be needed:

- 16) **European legislation should establish minimum norms and, on this basis, promote a gradual, but differentiated, harmonisation of national laws** leading to a convergence of social rights considered a priority or indispensable, such as a minimum wage or a subsistence allowance, the objective being to promote a gradual convergence of social results as outlined in the European Pillar of Social Rights.
- 17) **Move towards a harmonisation of taxation, abandoning the rule of unanimity in the Council for that of reinforced majority**, to put an end to the tax practices of certain Member States that distort the MU and reduce the capacity of the states to raise funds with which they address crises and finance social policies.

These measures should be agreed following the European social dialogue model that allows the social partners to actively contribute to their formulation.

### 3 - The Recovery Fund “NextGenerationEU” and its challenges

#### **Proposals: what should we do?**

Facing the Covid crisis and the response to create a Recovery Fund, one question that has to be put to experts and representatives of the Economic and Monetary Union within the reflexions of the Conference on the Future of Europe is the following: why does this instrument of economic policy has to be temporary? What impedes having a permanent instrument to be used when necessary, within Economic and Monetary Union?

- 18) **Study the conditions warranting the permanence and good function of this type of instrument.** In this sense, the idea that reducing risks for debtors countries should imply sharing risks between all is gaining strength and opening up a new path for us: what impedes going further down into that path? Lack of credibility of the indebted Member States? Without a doubt.
- 19) **Debtor countries, such as Spain and Italy, will have to redouble their efforts to increase their credibility vis-a-vis the creditor Member States;** 1) by implementing their recovery plan in a responsible and efficient way to reach the specified objectives using all the funds; 2) to respect the conditionality foreseen in the plan; 3°) by pursuing a responsible budgetary policy clearly establishing solvent and plausible tracks for reducing deficits and debt within the framework of the recommendations issued by the Commission in the European Semester.
- 20) **Establish controls and mechanisms warranting the good use of community funds such as the emergency brake agreed by the Council (in the intergovernmental framework) in the exceptional case that at least**

**one Member State considers that there are serious deviations fulfilling the goals and objectives of another Member State's national plan;** or the recently established European Public Prosecutor's Office responsible for investigating crimes against the Union's financial interests. The Member States' responsibility in implementing the measures in this solidarity instrument demands the use of strong guarantees of transparency and control in which the Prosecutor's Office could play a central role.

#### 4 - The Governance of the Economic and Monetary Union: instruments, policies and institutions, how to reach an equilibrium?

##### **Proposals: what more should we do?**

**There is a large consensus among economists, academics, international institutions and the European institutions that the Economic and Monetary Union is incomplete and in need of reforms.** For some reforms it will be necessary to change the Treaties of the Union and this has not obtained sufficient support. In crises situations the intergovernmental method has been used, but it seems necessary to return to the community method. The general but uneven impact of the pandemic in the European Union has sharpened the need for change. The following proposals are among the most necessary:

- 21) Reform and simplify instruments within the framework of economic coordination and multilateral supervision, like the Stability and Growth Pact.** In its efforts to oversee the budgetary correctness of the Member States this framework was never simple. The frequent deviations of some Member States from the rules and the economic crises have only complicated matters with increasingly detailed and complicated reforms, to the point that certain rules seem to lack internal coherence. Furthermore, it has become a bureaucratic and procedural exercise. It would be necessary to return to the path of sound economic analysis together with a simplification of the rules, as long as there is no real fiscal authority in the Commission.
- 22) Establish a central fiscal stabilisation capacity: strengthen the European capacity of response with a central fiscal capacity** as Member States' efforts combined with the central capacity will exceed the sum of the Member States' efforts and there will establish a 'policy mix' of monetary and fiscal policies for the euro zone. Under the negative effect of the war in Ukraine, the fiscal framework will necessarily have to adapt to the new macroeconomic context of rising interest rates, weak financial markets, large indebtedness of the Member States, rising inflation and significant supply shocks in key markets such as energy. A new stage of reform proposals will begin whose duration and depth will be marked by great political discussions and among experts, in an uncertain and unfavourable economic context.

**Part III - The new political priorities of the Union:** at the service of strategic autonomy. From 'Unidentified Political Object - UPO' to sovereign actor inside and a credible one abroad.

### III. 1 THE NEW PRIORITIES FROM THE PERSPECTIVE OF THE STRATEGIC AUTONOMY INSIDE THE EU

#### 1 - THE DEVELOPMENT OF THE GREEN AGENDA

##### **Proposals: what more can be done?**

**The implementation of the European Green Deal must begin and the funds have been allocated. There is urgency, there is funding, but are we prepared? Do citizens acknowledge the urgency?** The political authorities, the private sector, scientists, experts and citizens must make an enormous common effort to promote and illuminate the technological and ecological transition towards renewable energy and better energy efficiency. We think that it is in this area that we can do more towards a just, inclusive and quality transition:

- 23) The European Union and the Member States should explain/inform the European citizens, who look with worry at the enormous rises in the prices of gas and electricity,** which is the model of energy transition and the energy mix that every European country has chosen within the common European framework and how this will be implemented in the coming years. The citizens have to understand the plans for ecological transitions as they are developed and implemented.
- 24) Address the problem of global inequality as concerns climate change:** some of the regions contributing very little to climate change (regions with relatively low per capita emissions) suffer relatively high climate damages with serious socioeconomic consequences even with an increase in mortality. The countries that have contributed most, among which Europe, are responsible for helping these countries in their efforts to treat the negative consequences of climate change.

#### 2 - THE DEVELOPMENT OF THE DIGITAL AGENDA

##### **Proposals: what more can be done?**

The big digital industry is global, dominated by big companies owned by global, or with ambitions to be global, actors. In a very near future to be a global actor a country will have to lead in digital technologies. Such countries accumulate huge databases of personal data whose indiscriminate use can be potentially harmful. The EU must promote an answer to the questions: what is done with the data and AI? Who supervises them, Who controls them? We propose:

- 25) **For a real digital sovereignty data bases of the Europeans should stay in Europe.** In a global world of data transmission as a motor for the economy, it is important to guarantee that the data bases of Europeans and their maintenance stay within the European Union.
- 26) **As regards artificial intelligence the European level is not enough.** The European Union will have to lay down its role as a global actor waging for the establishment of international ethic standards and putting down the bases for future agreements. From there, we will have to develop our strategic autonomy establishing a partnership with our principal partners to reach an international agreement about common standards.

### 3 - THE EUROPE OF HEALTH: from rhetoric to facts

#### **Proposals: What more can be done?**

- 27) **Convert article 168.7 into the first article of Title XIV (new article),** where we could exemplify the respect of the states' responsibility as a principle derived from a 'federal allegiance', i.e. starting from the respect of State competences, develop measures on a federal level to centralise the response to a health crisis.

## **III. 2 TOWARDS THE EU AS A GLOBAL ACTOR**

### 1 - A EUROPE IN THE WORLD THAT DEFENDS ITS INTERESTS

#### **Proposals: what more can be done?**

- 28) **Endow PESCO, the Permanent Structured Cooperation of the European Union in defence, with operational content modernising the so-called 'Petersberg operations' (peace keeping) in a more binding way.** In this sense the recent discussions in the Foreign Affairs Council about endowing the European Union with an operational force of rapid intervention under European command consisting of 5000 men and the forthcoming presentation by the High Representative for Foreign Affairs of his 'Strategic Compass' should be a point of no return for the credibility of the European Union as a global actor, in the face of the challenge posed by Russia's interventionist and belligerent policy, which makes us think that these advances are even timid given the current situation and deserve to be revised upwards now, to the level corresponding to the Russian threat.
- 29) **A global Plan Africa capable of contributing to the stability and progress in the countries representing our "Río Grande".** The climate change and impoverishment hitting sub-Saharan Africa in the next decades will produce enormous migratory flows. We urgently need a global Plan Africa in which

national plans should be integrated.

- 30) Establish a more efficient and ambitious neighbourhood policy.** The European Union should clarify where enlargement ends and where a neighbourhood policy, focused on the receiving regions and countries, begins. From a strategic point of view, history shows us the importance of "buffer zones" between global actors, zones that begin where enlargement ends and whose definition is essential for stability on our continent. The response to Ukraine, Moldova and Georgia must be: "you are part of the European family and you have the right to contribute to stability and peace on the continent, free from external interference, disregarding the final institutional regardless. In any case, the active search for negotiated and permanent solutions to the internal instability suffered by certain countries and which are a destabilising force within and outside their borders should be actively encouraged.

## 2 - MIGRATORY FLOWS AND THEIR MANAGEMENT: taking the lead in values and interests

### **Proposals: what more can be done?**

Now is the moment to enlarge the limits of our legal basis through a global plan in which political will is essential as it is possible to do a lot with the current legal basis in spite of its weaknesses. It is therefore important to reach in a very short term a rapid agreement on the different proposals of the Commission in its Pact on Migration and Asylum. On a tangible level is proposed:

- 31) Reinforce the global instruments for entry by our external borders:** from the rescue in high seas to joint surveillance of our borders; through the joint establishment of maritime rescue plans and surveillance and consolidation of a European force of border guards viewed as a mechanism to strengthen and not control the national forces and corps.
- 32) Approval of an authentic uniform asylum status for the European Union,** in which - independently of the obligations of the Member States according to the Conventions of Geneva - there would be an authentic joint management from the entry through the processing, and the final decision guaranteeing a homogenous treatment of the demands.
- 33) Establishment of a European framework of global agreements on readmissions to strengthen our strategic projection in Africa.** Gradually substituting the bilateral readmission agreements with proper agreements of the European Union profiting from the economies of scale which, without a doubt, will give a strategic projection in any association plan with Africa.
- 34) Untying the 'Gordian knot' of the European Union not having competence in the area of legal migration.** We will have to find an openness regarding the explicit exclusion of no-intervention of the European Union in the design of rules concerning legal migration. There are mechanisms for administrative cooperation which would allow a coordinated establishment of all the

possibilities of access to the European labour market using the consular network of the Member States, with the support of the Delegations of the European Union, to initiate demands in the country of origin, leaving the final decision to the national administrations. This would contribute to reduce the power of the human trafficking mafias.

