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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THE FUTURE OF EUROPE IN THE HANDS OF ITS CITIZENS

Spain´s Contribution to the Conference

on the Future of Europe

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PRESENTATION

This presentation 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 "legitimisation" 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 characterize 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.

We understand that 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.

This cannot, then, be absent from the considerations and proposals of this contribution. We have thus wanted that this appears as a foreword to this contribution and its proposals: a modern EPS, ready to confront new challenges, new policies and institutions, adapted to the process of integration, will need to be discussed and the outcome afterwards implemented while preserving this unique and sui generis nature and its fundamental principles, while 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. At the same time, 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 a long journey and political analysis will end up on the desks of the officials of the European public service, which itself, in all probability, will be 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 The European Public Service, too. We are confident that in the future 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 Pardo

President of AIACE Spain

EXECUTIVE SUMMARY

The "Conference on the Future of Europe" (CoFoE), officially inaugurated on 9th 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 *spietzen-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 furtherintegrating 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.

AIACE-Spain's Contribution to the Conference on the Future of Europe

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Contribution of AIACE Spain to the Conference on the Future of Europe

INTRODUCTION: The future of Europe in the hands of its citizens

> *Is it heresy to expect that all Europeans can feel that they belong to a community that they see as a second homeland? If this view is rejected, European integration will fail and the spectre of nationalism will haunt us again, because the Community will have failed to win the hearts and minds of the people.*
>
> *Jacques Delors, College of Europe 10/17/1989*

The "Conference on the Future of Europe" (CoFoE), solemnly inaugurated on May 9 this year by the institutions of the European Union (EU), aims to listen to the opinion of Europeans and, in particular, that of young people , on the future of Europe. It is the first organised attempt to advance the concept of participatory democracy, without which progress in European construction runs the risk of being questioned or rejected by European citizens.

To this end, conferences and debates have been organised in all Member States (EEMM) open and directed by citizens and a digital platform has been created to host the proposals. The European institutions have undertaken to follow up, in their respective spheres of competence, on the recommendations formulated by the Conference. Beyond this, if the EU seeks to gain a new impetus, it will have to lead the change and respond to the demands of European society.

AIACE International has decided to participate in this consultation and AIACE Spain has assumed it as its own. Our group of former civil servants of the European Civil Service has contributed for decades to forging the EU construction project from both individual commitment and from work in the Institutions. We bring clear "added value" and internal knowledge with our contribution, in a dialogue between citizens and the European institutions.

European integration has evolved from its origins in the early 1950s to the present day. From being an intergovernmental project of economic and sectoral integration of 6 countries wishing to avoid more wars and to govern their relations in a community of law, it has been transformed, over 70 years, into a supranational project of 27 Member States that share sovereignty in almost all the competences of a State, in a logic of greater integration, in a space that has been shown to be open to all democratic European States.

This transformation has been achieved through arduous negotiations among the Member States, with the efforts of all the common institutions, which have resulted in successive revisions of the founding Treaties, reflecting the double legitimacy of the EU, that of the States and that of their citizens in a complex system of balances. It is these same Treaties that have been creating the independent institutions with

the obligation of results representing the general European interest, so as to ensure their implementation.

Are we facing a new exercise towards a substantive revision of our Treaties after this huge citizen initiative? Many members of European civil society and academia see the opportunity to relaunch a new Intergovernmental Conference (IGC) which, reaping the fruits of such a conference, would lead to a new Treaty with more explicit constitutional garb.

Without a doubt, this expectation is legitimate and desirable, but as recent history shows it might not be reached. The ratification of the Maastricht Treaty ran into serious obstacles (the small French “yes”, the Danish people's “no” to the first referendum that required a second, and the appeal to unconstitutionality in Germany); later came the rejection of the Treaty establishing a European Constitution in the referendums in France and the Netherlands in 2006; and, finally, the ratification of the Lisbon Treaty was extremely complicated in Ireland, Poland and the Czech Republic. Let us not forget that the process of ratifying a new Treaty may require a referendum in some of the Member States and in this sense, it is in **the hands of European citizens**, who will have to vote for it in national referendums.

It is therefore not surprising that the Member States are reluctant to accept explicitly that the consequence of the CoFoE will lead to a new revision of the Treaties; even more so in the presence of populist parties, most of them Eurosceptic and some of them in government. And this must be taken into account. For this reason, this consultation is essential so that European citizens can talk and debate European affairs in an open and informed environment, and express their preferences for how much integration they want and in what areas.

The goal of the founding fathers of an ever closer Union based on the strategy of advancing in stages has been realised. The trend, although not exempt from deviations, has unquestionably been towards more Europe. But more Europe means that Europe has to be present, be a responsible and accessible interlocutor for European citizens. The crises that were necessarily national before 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 a system in gestation. That is where we are, as recent economic crises, the COVID pandemic and the invasion of Ukraine by Russia, demonstrate.

Precisely the war in Ukraine has been a fatal blow and a call to our deep sense of pan-European identity. Just before the horror unleashed at the end of February of this year we told ourselves that the external environment has changed. The risks to global security and the seismic consequences of this war force us to take a leap forward in our ability to be major players and not minor luxury players in the world that lies ahead.

We live in an uncertain world, cracked by the pandemic, threatened by climate change, with an unpredictable economic crisis looming, multipolar, where old alliances break down, new global actors emerge and, at the same time, an increasingly global and interdependent world.

Europe must take ownership of its future and defend, alone if necessary, its own destiny and its interests. For this we need a common vision that allows us to act together. We must invest in our strategic autonomy to strengthen our internal policies, such as the internal market, digitisation or climate change, not only with goods or services but with regulations and governance.

At the same time, we need to respond to the challenge posed by the invasion of Ukraine, both in terms of unity in foreign and diplomatic action, and assuming the costs of having our own European security in the defence of peace in the continent and, without contradictory, assert our unity of action to influence the stance of Russia in the new Europe that we are building.

These actions prepare us to give a unique and united European response in multilateral institutions to internal and external challenges.

The Council Conclusions of November 2016 offer us a definition of the concept of **strategic autonomy**: "ability to act autonomously when and where necessary, and with partners whenever possible". The principle of strategic autonomy could guide our European development now, as the principles of subsidiarity and proportionality have done facing the challenges of past decades.

AIACE-ES's contribution to the Conference focuses on several of the nine proposed topics: those that have to do with democracy, values and rights, with the economy and with the new priorities of the EU, all of them especially relevant. We do not limit our proposals to those that can be accommodated within existing treaties. For this reason, it is crucial that European citizens, convinced of the need for a new Treaty, manifest this desire to their States, which are the owners of the Treaties. Twelve years after the entry into force of the Lisbon Treaty, a new Treaty would be a great boost to the project of European construction. This is the challenge to which we want to contribute.

In conclusion, Europe will continue to be built with the means that the Member States and the citizens grant to it. Our desire is to improve the functioning and effectiveness of its policies, to create a fair and supportive EU inside and outside Europe. As policies are transferred from the national to the supranational level, European citizens must feel part of the Union and Europe's democratic institutions must be accessible. The concept of European citizenship must be developed and the history of the EU must be our shared history. Fundamentally, we must break down the barriers of exclusively national educational systems, integrating the European dimension into them, the only way to have an active European citizenship. This conference for the future of Europe gives the European institutions the opportunity to listen to citizens; to engage in an open dialogue; to lead the change, giving a new impulse so that the European construction can confront the great political, economic and environmental challenges that lie ahead.

In the words of Jacques Delors, Europe has to win the hearts and minds of its citizens if it wants to move forward. Europe has to convince.

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

I.1 THE FUNDAMENTAL PRINCIPLES, INSTITUTIONS AND DEMOCRACY

The consolidation and progress of the European Union require permanent review of its political and institutional definition. The Union constitutes a unique model in the world for the principles and values on which it is based, for its progress in social and economic matters, but, above all, for the legality of all its institutions and for the guarantees it offers in the exercise of their rights and freedoms to the citizens that compose it.

The continuity and improvement of this model for the subjects that comprise it and its viability in the present and future world depend on its political consistency, as well as its economic and social dynamism.

From a global perspective, the Union needs a significant increase in its economic competitiveness and the joint action of its Member States in its role as a diplomatic and defensive power, capable of ensuring its strategic autonomy within the international scene in a multipolar world, increasingly more complex and unstable.

Providing a solution to these demands depends in turn on their moral strength and internal cohesion, that is, on their acceptance and firmness in defending their values and their determination to make the necessary adjustments to guarantee this progress.

1- Promotion of democracy and human rights within the European Union

It is a question, first of all, of reinforcing the nature of the Union as a Community of Law. The entire institutional framework of the Member States must continue to deepen: "in the values of respect for human dignity, freedom, democracy, equality, rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society characterised by pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men" (art. 2 TEU). This is especially so in relation to the separation of powers, the fundamental rights of citizens and their effective jurisdictional protection.

The Union, which constitutes a Community of Law in terms of the functioning of its institutions, is also so insofar as it integrates a community of Member States, whose structure and functioning are equally informed by the same principles of the Rule of Law.

The Charter of Fundamental Rights must always be applicable when the action that violates a right comes from the institutional framework of the EU and constitutes the constitutional apex of this Community of Law.

For this reason, our European Political Community cannot limit itself to a formal framework of legal norms "that take precedence" over national ones and the adoption of its own Magna Carta in matters of rights and freedoms. Our Political

Community deserves to start talking about its constitutional architecture without delay.

The active defense of representative democracy, the rule of law, individual freedom and the integration of citizens in an open and supportive society, today constitute an imperative obligation, and are priority objectives of the Union before its citizens, as well as in the international arena on which it is projected.

The attacks on the constitutions of the states, on the national sovereignty on which they are based, on their institutions and the system of balances that govern their operation, as well as on their territorial integrity, are direct attacks on the stability and future of the Union.

The deterioration of the democratic quality of an MS means, consequently, the deterioration of that of the Union as a whole.

The rule of law, compliance with judicial decisions and respect for the opinions of institutions and independent bodies of control, regulation or supervision, are inexcusable for the validity of the rule of law. Respect for these principles is equally essential for the balanced functioning of a plural and mature society.

The weakening of constitutional balances, with an unjustified strengthening of executive powers, shows that our model of representative democracy needs to be re-founded on the basis of a new social pact in which citizens are not limited to their role as a legitimating power in their condition of voter, but to another with a more active legitimation than what our empowered societies demand in a global world and in a context of digital monopoly, as a form of socialisation, if we want to avoid the weakening of parliamentary and legislative control of their action.

For this reason, the European Union needs a profound reflection on the concept of participatory democracy, both in terms of a broader framework for citizen participation, and the possibility of a permanent post-CoFoE consultation mechanism with, for example, the maintenance of a digital platform in which citizens can incorporate ideas or organize meetings

Proposals: What more can be done?

- **Fundamental Rights:** with rapid adherence to the European Convention for the Protection of Human Rights and Fundamental Freedoms and with clear procedural rules on the dialogue between the Courts of Luxembourg and Strasbourg.

- **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.

- **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

The institutions of the Union, each within the framework of its powers, are responsible for adopting incentive instruments and measures aimed at the effective protection of the principles and values of the EU (art. 2 TEU) within the Member States, including conditionality measures.

Representative democracy at EU level therefore implies a continuous improvement of the mechanisms of the political participation of citizens. Revitalising this participation involves strengthening the structured dialogue with economic and social agents from all sectors, as well as with citizens, not only as consumers and users, but also as full political actors.

And this leads to the hard core question of what a European citizenship status should be. Should it be limited to the “royalty” attribution of rights that reinforce our existence in a framework of free movement, or should it be a set of rights and obligations that create active citizenship?

The effort that is already being made by the European Parliament in its public hearings, and by the Commission in the many committees and working groups in which it exercises its function of legislative initiative, must be highlighted to European public opinion, not as something distant and vague: "Brussels", but as an expression of a political system of shared sovereignty that decisively has an influence their daily lives. It is also necessary to underline before the said public opinion the proper functions carried out by the Economic and Social Committee and the Committee of the Regions.

The deliberative dimension of democracy is also essential for the political life of the Union and, therefore, for the participation of citizens in European electoral processes.

Beyond the action of the European political parties, which have to make an effort going beyond the national sphere in their deliberations, to progressively focus on the debate on issues common to all citizens, it is the Union's own institutions that have to actively participate in any public discussion about the principles, objectives and means of this great political project that unites us. They cannot be absent from discussions about our shared future.

The disappointing experience of the forced absence of the European Parliament and the Commission in the debates on Brexit on the occasion of the referendum in Great Britain, allowed the propagation of numerous falsehoods. This must make the governing bodies of both institutions reflect on the need for an active and permanent communication policy of the Community project in the European public space.

And here we find ourselves facing one of the great deficits in the construction of European supranational democracy: the non-existence of a proper European media and communication space, preserves the division of European information from the prism of the 27 national public opinions. The general common interest cannot be the simple sum of the 27 national interests, a sum which does not exist, and even less to promote a press on a European scale. Building a space for citizenship also means having a free and independent media space of its own, without which a European public space cannot exist.

The preservation of this Community of Law, which constitutes the foundation of the democratic articulation of the Community project, requires the active defence of the values and principles that inform its objectives in a constant and well-informed dialogue between the institutions, the member states and the citizenry.

Strengthening the Union requires promoting effective institutional action. The objectives of the Union exclude regressing to a class and identity society, as well as any form of communitarianism. The institutions of the Union and its Member States have to make it very clear that the principles and constitutive values of the Union are not negotiable either before accession to the EU, or during their membership.

The Union consists in the development and execution of common policies, aimed at solving common problems in a more effective way than is possible for the Member States separately. These policies are possible thanks to the joint exercise in the European institutions of state powers.

In the world in which we live, this will require, for obvious reasons a critical dimension of the present structural and strategic factors, a progressive increase in efficiency and the extension of the scope of the joint exercise of said powers. The principle of subsidiarity must intervene in its double direction of application for the reasons of effectiveness and efficiency that justify it, explicitly including the attribution of greater powers to the EU based on the principle of economy of scale.

The objective of an ever closer unity of the states and citizens of Europe has gone from being a declarative expression to a vital necessity within the Union and on the international scene in which we operate. This has never meant in the history of the Union the claim of the disappearance of the States that compose it. The national sovereignty of each of the States is what decided and decides on their integration into the Union, on the establishment and reform of the Treaties, as well as on the integration of new members.

An obvious danger of weakening the Union is the fracture of the principle of institutional loyalty and trust that must inspire all its actions. This principle is essential to ensure fairness and solidarity in the distribution of sacrifices in high social cost policies, and to guarantee respect for the Member States in the exercise of their exclusive powers.

This need to alleviate fractures is more evident in the field of judicial cooperation, which, based on the principle of mutual trust (recognition rather than harmonisation), is subject to tensions in which judicial autonomy, respect towards fundamental rights and the tendency of the receiving judge of a lawsuit or action to enter the merits and not to be a simple verifier of the formal conditions, with respect to

procedural elements or jurisdiction that do not directly concern him. And yet, it is essential that it once again be an instrument of unquestionable effectiveness when it comes to guaranteeing the levels of legal certainty on which the rule of law is based in the Member States and, therefore, in the sphere of the Union.

The establishment of more effective rules in decision-making is vital to ensure the effective application of the principle of loyal cooperation transmuted into institutional loyalty, absolutely essential for the functioning of a territorially complex power structure. It is necessary to reinforce the common rules that ensure the effective respect of the common decision-making instances, as well as that of the Member States among themselves.

Recognition of the democratic quality of the institutional structure of the Union and of its Member States is decisive for the political viability of the Union which is founded on the principle of mutual trust. Hence, the developments aimed at ensuring compliance with the values of Art. 2 of TEU are essential to guarantee that the Member States automatically recognise this democratic quality among themselves.

This recognition is particularly sensitive in the sphere of the sovereignty of the jurisdictional bodies of the Union and in that of its Member States that directly apply Community Law. The removal of any reservation to cooperation in judicial matters is essential. This cooperation, which in some procedures and matters, such as European arrest warrants, must be strictly executive, as is urgent and essential.

The Union earns the trust of its citizens by being impartial and rigorous in the criteria it applies in evaluating justice systems, increasing the transparency of the decision-making process and the democratic accountability of its institutions, strengthening inter-institutional cooperation and improving its effectiveness, particularly in areas such as solidarity, fair economic progress, security and migration management, which are of significant concern to European society.

Proposals: What more can be done?

• **European Rule of Law framework with clear parameters for its evaluation and control by the European institutions,** including a “constitutional control” competence for the EU Court of Justice.

• **Judicial dialogue that would make it possible to find solutions to the differences in interpretation by the national courts** on issues as sensitive as the area of criminal cooperation, family law or differences in constitutional interpretation. In this sense, perhaps it would be convenient to reinforce and better individualize the so-called “recourse of interest of the law” timidly outlined by the Treaty of Amsterdam as a useful instrument to reinforce mutual trust between jurisdictions.

• **Principle of loyal cooperation transmuted into the principle of federal loyalty,** taking advantage of the experience of Germany and its configuration made by the Court of Karlsruhe.

• **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.

• **Reach an agreement on good practices aimed at developing a media space on a European scale.** There is no true Community of Law if there is not a dimension of free communication on its scale and addressed to its citizens.

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

This method allows greater transparency and effectiveness than that of intergovernmental cooperation. The adoption of decisions by qualified majority in the Council and equality in the exercise of the legislative powers of the European Parliament and the Council must be the expression of a more efficient and democratic legitimacy of action.

It could be argued that the community method, based on the principle of power distribution of the Parliament, Council and Commission triangle, aims at an obligation of results that leads to agreement, responds more to a separation of powers and roles than to a separation of powers; it implies a lack of legitimacy by not giving the right of initiative to the two legislative chambers of the Union. This method embodies in itself the combination of respect for state sovereignty, with the exercise of co-sovereignty in the spheres of competence of the EU and represents one of the keys to its success and its *sui generis* nature.

While the open method of cooperation, or intergovernmental method, has shown its insufficiency in terms of "checks and balances" between institutions and does not lead to an obligation of results as the community method does.

Proposals: What more can be done?

- **Inclusion in the Treaties of a definition and characterisation of the community method as its own constitutional principle.**
- **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).

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

A Union as a Community of Law and with a strong constitutional dimension, needs an institutional architecture that has a clear democratic legitimacy and is accepted by its citizens and that functions effectively.

In this sense, it is a priority to reaffirm the principles of a single institutional structure and the equality of all citizens and Member States. It is necessary to leave beyond any doubt the clarity and evidence of a governance regime in which all States have the same legal status and all citizens enjoy the same rights and obligations in an absolutely equal regime.

It is worth recognizing the loss of effectiveness of the governance system, due to the continuous and systematic search for unanimity in the Council and the absence of a single executive authority, with the necessary credibility, legitimacy and competence.

And all of this requires that the improvements in the institutional architecture of the Union be preceded by the greatest possible democratic debate, before its technical-legal consolidation as a codification of the will of European society, its citizens and its institutions.

1- The appointment of the current Commission.

The appointment of the Commission in 2019 has highlighted the tensions between the European Council and the European Parliament regarding the system for appointing its President, and the political significance of the commitment to appoint the head of the most voted list to the European Parliament (system called Spitzenkandidaten). It has clearly shown the difficulty of articulating the two legitimacies on which the profoundly democratic nature of the Union is based in the absence of a strict constitutional framework.

It is true that the spirit of article 17.7 of the TEU was respected "taking into account the results of the elections to the European Parliament...", within the framework of this complex inter-institutional procedure. But a magnificent opportunity was lost to send a clear signal to the public about the strength of the direct link of the citizen's will with the European construction, implicit in the elections to the European Parliament.

Proposals: What more can be done?

- **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.

At the current moment of European integration, the European Parliament must achieve the objective initiated since the 1970s with its powers of budgetary authority, of assuming all the constitutional attributes that characterise democratic parliaments elected by direct universal suffrage.

In addition, the fact that we do not have a uniform election procedure to the European Parliament (despite being provided for in article 223 TFEU), means that when each country chooses its procedure (constituencies, criteria for allocating seats, etc.), the elections are held more on a national than European basis and behind this, most likely is the reason for a lower voter turnout than in national elections, with some exceptions. This situation deserves reflection and solutions.

Proposals: What more can be done?.

- **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.

- **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.

- **Reinforcement of the capacity to promote legislative initiatives.** It would be necessary for the Parliament and the Council, as legislative chambers of the Union, to be endowed with the power of initiative, without prejudice to the basic prerogative that the Commission has in the exercise of said power. The most realistic solution would probably be to reinforce articles 225 and 241 of the TFEU, establishing clear criteria on the limits of the exercise of said power.

- **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.

- **Finally, better coordination between the European Parliament and the national Parliaments**.

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

The European Council has become the institution that could embody our collective Head of State. Therefore, its central role is to activate the necessary political impetus for the progress of the Union and to resolve conflicts between Member States regarding the political blockages that occur in its development.

It is advisable to avoid their interference in the exercise of the legislative powers of the Parliament and the Council, as well as in relation to the power to interpret the provisions of the Treaties and Primary Law, which correspond exclusively to the Court of Justice of the European Union.

The culture of consensus in the European Council, in cases where it acts as a *sui generis* legislative body, shifts the preparatory tasks for major decisions in the Union from the General Affairs Council to the "sherpas" of the European Council.

It is also necessary to avoid the overflow of its role when it includes among its functions the management of common problems through intergovernmental instruments, outside the framework of the Union.

The recourse to unanimity and its inability to achieve it, have led to the adoption of *à la carte* intergovernmental instruments, such as the European Stability Mechanism (ESM), and the Treaty on Stability, Coordination and Governance (European Fiscal Pact) in the EMU.

Proposals: What more can be done?

· **Better constitutionaliSation of the role of the European Council as the last political instance** to guarantee the role of the EU as a global actor.

· **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).

· **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.

The application of the unanimity rule too often causes paralysis in the decision on areas of competence that are decisive for the development of the Union. It leads to delays and to solutions which reflect only the lowest common denominator, compromising the ambition and scope of the approved measures. In short, as the Union has expanded, the management of the agreements to reach unanimity has become much more complex and baroque and has led in practice to a variable geometry system, allowing various formulas and giving the option of non-participation in the development of some policies.

In any case, it is necessary to introduce greater flexibility in the decision-making process in those areas where the majority is not the general rule.

Proposals: What more can be done?

- **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.
- **Extension of the "emergency brake" clauses** with reference to the European Council, based on the vital interest of one or more States. It is urgent to introduce decision-making mechanisms that prevent blockade in the event of opposition from a small group of Member States, especially in areas such as taxation, security and defence policy and the defence of the Union's values with reference to the European Council and, *in fine*, establishment of "hyperqualified" majorities.
- **Open in the Treaties an inter-se Treaty** in which a majority group of States can decide on greater political integration.

5- Consolidation of the Council as a true legislative chamber.

What has been called the "Bundesratization" of the Council requires a preliminary reflection on the number of its formations (currently 9) and on whether its decisions should be adopted by a single legislative body, converting the current specialised legislative formations into preparatory working bodies, with public meetings, in the manner of parliamentary committees.

Proposals: What more can be done?

- **System of permanent Presidencies in all formations corresponding to the area of competence of COREPER II.** It would be advisable for the Council to replace the practice of the six-month rotating presidency with a permanent system of presidents elected from within it, in the formations corresponding to the sphere of competence of COREPER II (General Affairs, Economy and Finance, External Affairs and Justice and Home Affairs).

6- Strengthen the European Commission.

It is essential to reinforce the independence of the European Commission, consolidating its power of initiative, its exclusive responsibility in defending the general interest of the Union and in complying with Community law.

Any alternative to reorganise the exercise of legislative power must refrain from compromising the autonomy of the Commission in the exercise of the power of initiative and the executive power attributed to it by the Treaties.

It must become a true government of the Union, accountable to the European Parliament, competent and equipped with the necessary instruments to formulate and implement all common policies.

This means that all executive power would concentrate in the Commission, competent to formulate and execute all policies, including common foreign and economic policies.

But, in addition, the conversion of the Commission into the authentic Government of the Union, guarantor of the general interest, requires a response in terms of the composition and functioning of the Commission.

It is known how the rational option of reducing the number of commissioners, disassociating it from the number of Member States, guaranteeing the geographical balance of its members, would give flexibility to its operation and reinforce its image of independence with respect to the Member States. However, the political reality that forced a reversal of the provisions in this sense of article 17 of the TEU to guarantee the ratification of the Treaty of Lisbon, clearly show its difficulty.

Proposals: What more can be done?

- **Merger of the positions of President of the Eurogroup and VP of the Commission in charge of Economic and Financial Affairs.** The positions of President of the Eurogroup and Commissioner for Economic and Financial Affairs should be merged, turning them into a Vice-Presidency of the Commission. This Vice-Presidency would be in charge of mutualised financial instruments, including budgetary competence, and should be the sole representation of the euro zone in the competent international organisations.

- **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.

- **Establishment of the figure of “mission commissioner” without attribution of a functional portfolio.** There could be a functional division between commissioners with a portfolio and commissioners with a particular mission or mandate (for example, head of inter-institutional relations and representative on the General Affairs Council), in order to streamline the administrative structure of the different General Directorates.

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

The economy of the European Union is the set of economies of the Member States with a superstructure of institutions and common rules of economic integration that have been developed from its origins of customs union, common market, single market (SM), to the EMU from today.

Strengthening the EU economy means working on each of its parts to improve the whole, with measures both at national and EU level. The final destination of this economic framework would be a fully integrated SM together with a monetary union of all the Member States. However, the crises of 2009, 2011 and particularly the pandemic have shown the need to reform and complete the EMU by developing other policies in common, such as an industrial policy, a banking union or fiscal policy, from a perspective of gaining strategic autonomy.

1- Strengthen the Single Market and the ability to create jobs in the EMU

The Single Market is the cornerstone of this complex economic mechanism. It should guarantee the free movement of goods, services, people and capital that would lead to an optimal allocation of its resources, an increase in productivity and generalised wealth. However, almost 40 years after its introduction, barriers persist that hinder its proper functioning and unity. These barriers are not only internal to the MU, they also come from other adjacent policies, for example, social or tax policy. The COVID crisis, with its closure of community and international borders, has revealed serious weaknesses of the European industry, within its SM and in third markets, to access strategic products. An incomplete MU means an EMU that works with friction.

Main challenges today are: 1) to eliminate restrictive national barriers (regulatory, administrative or practical) that make it difficult to easily buy or sell goods and services from another Member State; 2) achieve real access for workers to the labour markets of other Member States; 3) Promote cooperation between national authorities in areas of the SM in which the EU lacks legislative powers or has limited powers (social security or education, health) or in which the Treaty requires unanimity (taxation or aspects of company law); 4) Strengthen the strategic autonomy of European industry in the MU and address the inequalities that the Pandemia has revealed.

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:

- **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**.**

- **Develop integrated production chains in the SM** to improve the allocation of internal resources, increase the capacity to create employment and trigger a better synchronisation of the economic cycles of the Member States and a greater real convergence of the economies, which would give more stability to EMU.

- **Establish rules compatible with, or that facilitate, free movement,** (superior principle) in adjacent policies that affect the SM; for example, a common consolidated corporate tax base in the EU or a harmonised tax on financial transactions.

- **Achieving a balance between free movement in the SM and other EU policy objectives.** Among these objectives are the protection of consumers, the protection of workers' rights and the protection of social rights. They could be achieved better and with less fragmentation of the MU through an integrated and coherent legal framework, with specific safeguard clauses in these matters and that would attribute to the Commission powers of regulatory authority similar to those it has in the framework of State aids and competence, to ensure an equilibrium.

- **Have robust and up-to-date industrial strategies and plans that:**

    - **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.

    - **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

Social policy is important for the proper functioning of the MU but it goes further as it applies not only to workers but also to all citizens. The EU has limited powers in this area. Responsibility for social and employment policies lies primarily with national governments. However, the growing commitment of the EU in defence of the values, rights and fundamental social objectives of its citizens has developed the social dimension throughout the integration process and constitutes a true added value of Europe towards its citizens.

Since the proclamation of the European Pillar of Social Rights in 2017, the integration of these rights as a central element of the SM is a priority that is being developed in all activities. It is particularly important to put more emphasis on employment and social outcomes to build resilience and consolidate the Economic and Monetary Union. The European Pillar of Social Rights was conceived for the eurozone in particular, although it is addressed to all Member States.

The need for a social policy at European level has grown faster than the policy itself. The economic crises of 2009 and 2011 have left many citizens behind and austerity policies have contributed to making the situation worse. For the first time since the Second World War, we see that the current generation of young people - the best educated generation we have ever had - could have worse living conditions than their parents and that others could fall outside the networks of social inclusion.

The real convergence towards higher standards of living that was achieved with the participation of the Member States in the MU and with the support of the European structural funds to the less developed countries does not seem sufficient. Today it must be expanded to repair the deterioration of economic conditions caused by crises, adverse demographic factors, accelerated technological change (digitalisation and Artificial Intelligence) and globalisation.

Adapting education and skills to technological change are among the factors that will increasingly influence the direction of our societies and economies. Certain Member States have very innovative education and advanced vocational training systems and others do not. These systems will have to be developed with European help in all the Member States. And this European impulse is also part of the necessary opening, that must take place, of educational policies, from the purely national scale to the European dimension.

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:

- **An 'equivalent' social policy across the Member States agreed within a social dialogue.** A European citizen should maintain his or her personal back pack of acquired social rights, health care, acknowledgement of titles and professional qualifications when transferring to another Member State, even is the norms applied in that Member State are different.

- **European legislation should establish minimum norms and, on this basis, promote a gradual 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.
- **Give an impulse to the modernisation of the national educational and training systems, furthering the programs on life long learning** to train workers to the rapid technological changes taking place in the internal market, thus promoting professional mobility and lessening the differences between supply and demand for qualifications. To this end, Member States should give the Commission the competence to coordinate and establish binding principles of action, in line with the mechanisms of administrative cooperation already laid down in the Treaties.
- **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

The Recovery Fund with 750.000M€ is the European Union’s response to the economic and social consequences of the pandemic. These funds come on top of the structural funds in the multiannual financial framework (2021-2027) to guarantee coherence. Of these funds, the Recovery and Resilience Facility will have the major part (95% of the total amount). The Recovery Fund will finance national plans for recovery and resilience giving priority to structural reforms within the ecological (at least 37%) and digital (20%) transitions, key sectors for the competitivity and resilience of the European Union.

The Recovery Fund is groundbreaking and has even been called a paradigm shift. For the first time the Commission is authorised to grant transfers and loans to the Member States issuing European debt (Covid-19 bonds), charged to the European Union’s budget and future own resources, to finance structural reforms in priority sectors that should transform the European economy. The criteria for granting the funds take into account the impact of the crisis. This ‘temporary’ quasi fiscal central measure breaks away form the dominant consensus that has limited the Economic and Monetary Union to the internal market and a Monetary Union with its own monetary policy, but without proper fiscal capacity on the same level. It could set a precedent towards budgetary and fiscal integration hitherto refused by certain Member States.

It recognises that face to a general exogenous crisis, asymmetric in its results, national measures are not enough, even if lessening the norms of the European Stability and Growth Pact. The crisis has clearly shown that without the

capacity to mobilise resources on terms that are favorable to all and distribute them according to the needs, the Economic and Monetary Union would not be sustainable nor resilient to asymmetric shocks. Such a capacity had to be improvised. Under these circumstances it has been accepted that solidarity between the Member States can be absolutely necessary for the Economic and Monetary Union to function efficiently.

The European Union agreed that the Recovery Fund should be a one-time instrument of a temporary character exclusively used for recovery measures in response to this crisis. This is a key point.

Proposals: what more can be done?

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?

- **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.

- **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.

- **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?

The governance of the Economic and Monetary Union still hasn't reached a sustainable equilibrium level. After the great efforts of some Member States' to comply with the Maastricht criteria to adopt the euro, the early years of EMU after the euro were relatively calm. The EMU was corseted within the PEC that imposed a certain budgetary discipline, while the fall in interest rates stimulated economic growth, helped keep public finances in line and nominal convergence improved. The arrival of the first serious asymmetric shock in 2008 was followed by the Greek debt crisis. The greek crisis created great distrust among the Member States. The response was based on austerity: a strengthening of the conditions of the Stability and Growth Pact - the fiscal compact - and more procedures.

Finally in 2012 the monetary policy response of M. Draghi 'willing to do whatever it takes' and the creation of the European Stability Mechanism that consolidates and merges the European Financial Stabilisation Mechanism with the European Financial Stability Facility, introduced the inescapable function of 'lender of the last resort', but without sufficient democratic guarantees. Certain measures were taken by the intergovernmental method.

The macroeconomic balances were reestablished at an excessive social cost for some and in 2014, with the Juncker Commission, begins a new period of more openness in economic policies, including more flexible rules of the European Stability and Growth Pact.

We see that the economy of the European Union of a similar size and capacity as that of other global actors, like the USA and China, does not seem to have the same capacity for innovation and reaction. Is this perhaps due to not having an adequate institutional (and normative) framework?

The European fiscal rules have been temporally suspendes since March 2020 until end of 2022 to allow Member States to implement emergency measures against the Covid crisis. It is time to make an ambitious reform of the fiscal framework which is now clearly questioned. The reactivation of the rules foreseen in 2023 should be done within a new political agreement of a reform of the fiscal rules and framework.

Proposals: what more can be done?

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:

- **Complete the Banking Union and that of the capital markets:** for the two principal sources of financing the economy, one via the banks - debt- and another via the capital markets - capital - not yet quite develop in the EU, reach a higher level of integration and efficiency at European scale, capable of financing the recovery and the transformation towards a digital and green economy. The ongoing reform of the European Stability Mechanism will create a backstop for the Banking Resolution Fund, an essential piece in finalising the Banking Union, and will clarify the role of the European Stability Mechanism and the Commission in future programs for financial assistance in the euro zone. But other pieces are still lacking and there is resistance among the Member States.

- **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.

- **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 again be a 'policy mix' in monetary and fiscal policies for the euro zone. In addition, 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.

- **Strengthen the international role of the euro:** this is difficult to obtain without the above proposals. The European Union should create instruments that increases safe assets in euros (European safe assets) and the range of financial services denominated in euros, in a push to increasing the use of the euro in international markets while strengthening its stability and liquidity. Increasing the use of the euro as an international reference currency will contribute to consolidate the Union's strategic autonomy and its global influence as well as attracting funds for the financing of the necessary investments for our digital and green transitions.

- **Increase the accountability and democratic control in the Economic and Monetary Union:** during crises the European integration has advanced making widespread use of the intergovernmental method, i.e. measures decided by agreements or treaties between the Member States not using the community method. This is not ideal as the Union's and national democratic institutions,

independent of Member States' particular interests, should be involved in the process. Furthermore, with 27 Member States the intergovernmental method dominated by unanimity rules leads to dealings between Member States again producing suboptimal agreements, as for instance the emergency brake. This fact combined with the complexity of the rules agreed needs to be simplified to help increase the transparency and credibility of the European integration in the eyes of the citizens. **In particular:**

- **Fully integrate the existing intergovernmental treaties in the Treaties of the Union.** It is necessary to integrate the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (fiscal compact) and the European Stability Mechanism in the EU Treaties to guarantee that the control and accountability remains with the beneficiaries.
- **Political conditionality of the respect of the rule of law:** finally to increase the coherence between community policies, it will be necessary to integrate a political conditionality of the respect of the rule of law in all instruments of economic intervention of the Union towards the Member States.

5 - Other reforms in the long run and conclusion.

For the development of fiscal policy on a European scale, the euro zone would need a single European Treasury with a budgetary capacity based on sufficient own resources and endowed with the capacity to operate in the financial markets. This Treasury should be integrated into the Commission and, obviously, be subject to democratic control by the European Parliament and the Council. The European Treasury would have a European Minister of Finance who would also be Commissioner for Economic and Financial Affairs, maintaining his Vice-Presidency of the Commission, and President of the Eurogroup. As the reforms advance, and we equip ourselves with new instruments towards a stronger EMU, the work of reflection and evaluation will not cease. The interaction between the reform plan and future crises may determine the pace and choice of reforms and the institutional architecture. Many issues will remain open in the years to come, given the resistance they encounter in certain Member States, and it is possible that they will only be resolved in the face of palpable evidence of their urgent need.

CONCLUSION: while the principle of strategic autonomy would encourage us to take all necessary measures to strengthen the Economic and Monetary Union, making that union and its currency stronger, more resilient and more competitive within and outside our borders, certain Member States reject these reforms, keeping the Union in a state of structural weakness and functional incapacity, fearing that the policies and behaviour of other member states could weaken the stability and sustainability of EMU and the euro. Relations between the Member States should be based on the principle of mutual trust, which in turn must be based on the respect by each of the common principles and standards established for the proper functioning of the Union. This is the dilemma and we must arrive to its resolution.

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.

The European Union's success has probably been due to an absence of definition and shielding behind the values of a 'soft power' actor. The European Union cannot continue to play this 'soft power' role if it wants to transform itself, not into an important actor of the G-20, but into a candidate for the leadership of an economic, political and security triangle together with the USA and China. The European Union will have to make the transition from being an sympathetic 'Unidentified Political Object - UPO' into being a global actor spreading out all its strength in areas of economics, trade, politics and defence of the democratic values and social peace in terms of own interest.

Of course these interests are compatible with our values which have made of Europe a space of peace, democracy and economic and social progress, but to play in the 'Champions League' we need first to develop a common tale, a shared vision. Therefore there is a need to develop the Union's strategic autonomy in its external projection as well as internally, the borders of which are ever more diffuse.

III. 1 THE NEW PRIORITIES FROM THE PERSPECTIVE OF THE STRATEGIC AUTONOMY OF THE EUROPEAN UNION

The big priorities of the European Union should focus on warranting a homogenous recovery and permitting the Union to position itself on the launch ramp of the new technological revolution of the double transition: digital and green.

But for the citizens to take ownership of the new kind of European Union it is also necessary to know that the Union will respond united to big crises of public health which after Covid-19 has profoundly altered our habits as a society and that the Union is the best path to take.

These are the three big priorities we must confront when thinking about the future of the European Union.

1- THE DEVELOPMENT OF THE GREEN AGENDA

If the pandemic has shown that the health of the inhabitants of this planet is intimately intertwined and that its treatment requires global action, the health of the planet needs no less. The European Union launched in 2020 a grand European Green Deal with two major objectives. The first one is to achieve climate neutrality by 2050, with an intermediate target of a binding net reduction by 2030 of 55% of emissions compared to 1990. The second is to show global leadership engaging in a path towards a profound transformation of our economy and society to reach this neutrality.

This leadership that no other developed region has called for itself, needs to show to

third countries that Europe is coherent in its principles and actions, something which the Union has not been able to maintain in the recent summit of COP26.

The European Green Deal is a key part of the strategy for putting an end to the economic crisis caused by the pandemic of Covid-19. The deal will receive a third part of the 1.8 billion euro investment from the Recovery Plan 'NextGenerationEU' and from the budget of the European Union in the next seven years. The Member States will have to commit at least 37% of their national recovery and resilience plans to climate and biodiversity and any investment should avoid any significant damage to the environmental objectives established in the new taxonomy of the Union.

The effort going into the launch of this pack of initiatives shows its priority character; while the European Climate Pact and the Just Transition Mechanism responds to the community instances' worry about guaranteeing a transition that leaves nobody behind.

Climate change is the major risk of our times and the biggest challenge is how to stop it or slow it. The recipe implies a progressive transformation of our model of production and consumption based on fossils energies towards one free of emissions in 2050. The large increases in the cost of energy have reopened the debate on the role of nuclear energy in the energy transition. It has been agreed that, together with natural gas, they are considered transition energies in the EU taxonomy. They can receive Community funding, subject to certain restrictions and obligations. On the one hand, many polluting energies and industries must be stopped; on the other hand, the new economic model requires a large investment in the development of clean technologies and new industries in a difficult economic environment and this tension is demanding certain compromises.

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:

- **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.

- **Introduce in the follow up on climate change intermediate objectives with**

more frequent measurements, for instance every 2 or 3 years to measure the direction or speed of the change on the variables so as to take additional measures or strengthen already existing ones, so as to correct any observed shortcoming.

- **All public authorities should support regions with a high dependancy on polluting industries in this transition towards clean industries.** There are many ways to reduce carbon emissions: from a better management of agricultural operation to subsidising renewable energy and reforestation. Each one of these strategies has its own costs and benefits and we will have to chose the methods of less costs to reduce emissions. These regions should therefore, on top of the financial aids from the European Climate Pact and the Just Transition Mechanism or other sources, be able to count on assistance from scientific experts to develop global and coherent plans for the ecological transition in these very specialised areas.

- **The structural inequalities of the negative effects of the ecological transition should be addressed, also adding those that the pandemia has exposed**, taking measures to reintegrate the losers of these two transformations, even in the regions where the transition towards green models is easier to do. The markets can be efficient in recompensing the winners but not in compensating the looser of the technological changes or others.

- **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.

- **The role of global leadership that the European Union has taken upon itself and to be successful globally in the control of climate change, there is a need for a European diplomacy capable of attracting third countries towards a common strategy for climate control.** To this end, there is a need for financial incentives accompanied by transfers of technology, knowledge and good practice. The proposal about a Carbon Border Adjustment Mechanism shows that the European Union's climate ambition is of importance in its geopolitical relations. As we have been able to observe in the recent summit COP26, apart from just showing by example, on the global scale the Green Deal will only have global results if accompanied by a proactive diplomacy with means, financial and others, capable of forging new alliances.

2- THE DEVELOPMENT OF THE DIGITAL AGENDA

To visualise what the digital economy would be you would need to compare it with the big productive revolutions that humanity has suffered. The digital revolution compares to the industrial revolution of the early 19th century. The digital revolution will in a near future impregnate all the planet's economical activities and it is already dominating in the transformation of the productive sectors in the most developed countries. At the origins we have the information and knowledge technologies and the interaction with internet in the use of the networks.

The European Union has accompanied this revolution since 2010 with its first Digital Agenda until the recent communication of 2021 with its '*Digital Compass 2030, focus for the digital decade of Europe*'. This communication makes a sketch of where we need to head for a common vision and action so that Europe obtains success in the digital decade internally as well as externally. At least 20% of the funds under the Recovery and Resilience Facility will go on top of those funds already financing the digital economy and will contribute to support the reform program.

Europe has serious challenges in this area. Firstly the one already identified in its 2015 strategy: '*Europe has capacity of leadership in the global digital economy but is actually not taken advantage of it. The fragmentation and barriers that is not existing in the single physical market is holding back the European Union*'. If Europe really wants to lead it has to solve the limitations of the internal digital market before these arise and not after years lost in these holding back its development. From a global leadership point of view it is therefore already late.

Secondly, the Covid-19 pandemic has introduced new practices in our societies first of all through the teleworking and the generalised electronic commerce based on the use of digital technologies. Producers and consumers, students and professors, public administrations and private companies has familiarised themselves with the use of these more or less efficiently. We have achieved to advance in the digitalisation of our economies. But we will have to complete this and move further towards a digital transformation.

Thirdly another great challenge for Europe in post pandemic times is the division between the territories of the Union that have access to the digitalisation process and those that are left behind for various reasons, as lack of equipment and digital infrastructures, in general the less developed regions. On the European level and working with the Member States it will be necessary to identify those regions to get them out of the technological hole in which they are. A similar effort could be made with the accession countries who face an additional challenge in their hard efforts of accession to the Union.

Finally, the European Union and the Member States have certain tasks ahead; completing the governance frame of data, networks and artificial intelligence; and implementing on a European scale a fiscal policy compatible with the digital economy with a digital tax on big companies, almost all non-Europeans but

operating in our countries. The efforts of the OECD and the G-20 are essential for global progress in these areas.

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:

- **Act rapidly to guarantee the good functioning of the internal market in the areas of digital technologies and innovation.** Due to the haste of technological changes in digital technologies and emerging industries we should not tolerate any excessive protectionism on part of the Member States as this could diminish the competitive capacity and thwart the economies of scale at European level.

- **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.

- **Complete the legislation concerning digital protection of consumers' and companies' rights to guarantee a level playing field on the digital technological market,** in the respect of free competition, motor of technological innovation, as well as the fundamental rights characterising the European society (personal data, the right to be forgotten).

- **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.

- **Adopt a strengthened digital agenda for European regions suffering a big digital gap, for instance the empty central Spain (España vacía).** Without a special effort towards these regions, the gap will get bigger as the technological change accelerates. This agenda should include at least following elements: an update of public and private digital infrastructures, transfer of hardware and software adequate for the services to be offered, measures to support the development of economic activities using such infrastructures and equipment.

- **Give impulse to and support the training of the population in the technologies according to needs.** Developing digital competencies in the education is fundamental for the young in terms of employment, as well as in terms of personal development. Special attention should be given to elderly

people making up for an ever greater part of the population and who are in a serious risk of digital exclusion.

3- THE EUROPE OF HEALTH: from rhetoric to facts

The action of the European Union and the Member States in the fight against the pandemic of the Covid-19 has been the best example of how, in the face of the shortcomings we saw in the beginning of the pandemic, we have been able to develop a notion of strategic autonomy which has allowed us to consolidate guidelines necessary to face up to the crises. This strategy of great success had two principal objectives:

- **Palliate the devastating effects on our economic tissue.** From the activation of the general escape clause within the Stability Pact that allowed application of the rules in a coordinated and controlled way by the Commission, to the temporary framework allowing state aid with the objective to maintain our economic tissue. Including furthermore financial instruments: the programme SURE and the credit facilities of the European Central Bank and the European Investment Bank, each one within its competences. And finally, in record times, the disruptive adoption of that tabu called 'Next Generation EU'.

- **Preserve human lives and public health all over the society.** Beginning with common acquisitions of material, European financial support for the development of vaccines and medical research, ending with a common system of acquisition of vaccines which is now considered one of the brand images of the European Union, being the region with most vaccinations in the world.

- **Develop a policy of solidarity with less advanced third countries in matters of vaccination,** through the leadership of the European Union and in the framework of the COVAX programme of the World Health Organisation. This policy is not only a question of values, but a condition for putting an end to the pandemic as the virus cannot be blocked at the borders.

And all this we have done in spite of the very limited competences of the European Union as regards protection of health in the Treaty on the Functioning of the European Union (art. 168 TFEU). With willingness and consultation it has been possible to establish a general clause that permits to guarantee the strategic autonomy of the European Union with exceptional competences, politically controlled by the European Council and implemented by the Commission to guarantee a high level of protection of human health at European scale.

Proposals: What more can be done?

- **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.

- **To do this the Commission should issue recommendations promoting the**

adoption by the Council of a framework decision authorising the centralisation of actions in the Commission (foreseen in article 168.6).

- **The European Health Emergency preparedness and Response Authority (HERA) should develop into the European Union's research center with a strengthening of its capacity and in a network with national centres** on the operative level. Its governance would jointly with that of the European Medicines Agency constitute one of the major guarantees of the resilience of the European Union towards future pandemic or global risks.

III. 2 TOWARDS THE EU AS A GLOBAL ACTOR

1- A EUROPE IN THE WORLD THAT DEFENDS ITS INTERESTS

If there is one area where the European Union should see itself and be seen as a global actor and leader of multilateralism against other actors' ambitions of unilateral primacy, and where the Union should give itself a real leap ahead, it is in the area of Foreign Policy, and in particular the security and defence policy. The cataclysm of Russia's aggression against Ukraine puts us before the evidence of the need to advance solidly in this field so as not to fall into the "naked Emperor" syndrome.

There is an unsatisfied social demand concerning the necessity of obtaining sufficient levels of protection and security in the European societies, on the background of threats of terrorism and the international instability, tragically underlined by the recent events in Afghanistan, and this shows that the prestige of the European Union in the eyes of its citizens, its role and credibility in the international community is put to question. Can we afford to be minor players in international security after the war in Ukraine?

Among others we could cite some structural elements allowing us to desire and foresee positive developments in the short term in the Union.

- That this part of the European integration, perhaps its first dimension historically (the never born European Defence Community of 1952) has produced a permanent frustration. Since its origins the Union has limited itself to the development of political impact internally related to commercial activity. Today this is no longer sufficient.

- That the exit of the United Kingdom from the European Union has exposed the evident loss of defence capacity of Europe and the lack of possibility to face this with the defensive capacities of each of the Member States, separately.

- That in spite of this the exit favours an acceleration of the designing of a Common Defence Policy (as shown obviously be the interest of the United Kingdom to remain associated with PESCO, the Permanent Structured Cooperation, and with the industrial developments in areas related to defence).

- That the technological, industrial and financial efforts undertaken by the Member States separately are not sufficiently efficient in economical and military terms compared with those undertaken by other world powers.

- That the drifting foreign policy of the USA in the last year gives disturbing reason to question the operability of NATO's defence system to which the European Union is part and on which the Union depends to ensure minimum levels of protection.

- That the first steps have been taken towards the creation of a defensive strategic autonomy like the approval in December 2017 of the Permanent Structured Cooperation (PESCO).

- That the relative stability in the bipolar system between the decisive global powers has given way to an even more unstable multipolar system where intermediate powers do not renounce playing a hegemonic role in the world.

- That a good deal of such major and intermediate powers even brag about having iliberal political systems where the rule of law, free trade and protection of human rights do not correspond to the political habitat that we share in the west.

- That in our strategic framework of proximity some of such intermediate powers uphold political attitudes of increasing pressure on community borders, interests and values.

- And all of this is still dwarfed by the challenge to international stability and in particular in our continent that Russia has put us before

For all these reasons the European Union should very soon define its geostrategic position, at least in following territorial areas, and to that end an internal consensus is pressing:

a) The south coast of the Mediterranean and the African continent: migratory pressure, political instability, islamic terrorism, economic unbalance, climate change etc.

b) Middle East: political instability and islamic terrorism, permanent armed conflicts, vulnerable energy supply and communication flow with the Asian continent etc.

c) Turkey: tensions concerning the migratory management, growing islamic fundamentalism and weakening of the rule of law, pressure on the Unions borders in Greece and Cyprus, alliances with Russia and influence on problematic states in Central Asia with a clear increase of Turkey's military interference in the zone.

d) Russia: a determining actor in the instability of the States of South Central and East Asia; At the same time, it is a key energy supplier and a power perceived as a threat by several countries in the eastern European Union and a protagonist in various incidents of computer interference in the political processes of several countries of the Union; its military interference on the eastern flank of our borders has culminated in the invasion of Ukraine. Can we afford a Russia drifting towards a "rogue state"?

e) Latin America and the Caribbean: a region in which some of the most intensive vectors of the Union's external action is projected, deterioration of democratic regimes, social decomposition, economic underperformance and confrontation against the values shared by Europe and the West; this has created widespread strategic instability. The complicity of various of the countries on the continent with

international structures of organised crime and drug trafficking calls for a coherent action on part of the European institutions.

In summary the European fragility in this area should be corrected to avoid an increasing sense of 'Europe being in danger'.

Proposals: what more can be done?

- **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.

- **Create a common industry in the internal market of defence** to end the actual inefficiencies and duplications. The AIRBUS model shows us that this is possible.

- **Create a formal 'Defence and Security Council'** with a permanent presidency and a secretarial general as well as a High General Staff depending on the HRVPI (High Representative/Vice President of the Commission).

- **Establish a defence mechanism for multilateral matters.** There should exist a figure like a High Representative like in the US administration with capacity for coordinating and ensuring a unique voice in the multilateral fora implementing the SDG's (Sustainable Development Goals).

- **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.

- **Define a final border for enlargement a priori without leaving any of the actual candidate countries behind and avoid creating false expectations in others.** The lack of credibility for the enlargement policy in the candidate countries and in the European Union should lead to a redesign to give incentives to reform forces in those countries for a better preparation of their possible accession to the European Union.

- **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.

- **And Russia and its fit into the stability of the European continent?** In these dark days for the International Community, we must not lose sight of the fact that the EU's vocation to be a credible and respectable global actor demands of us, beyond the rejection of Russian aggression and the request of its responsibilities that a post-war scenario will imply, to be able to imagine and articulate, as an integral part of our model of coexistence developed in the last 70 years, how to incorporate Russia and what role it will have in the construction of a global political architecture of our continent, of which Russia constitutes a central element. Much will depend on the outcome of the war in Ukraine and its impact on the Russian government.

- **Reinforce the external dimension of the fight against terrorism and organised crime, including cyber crime.** The European Union should include in its external strategy common mechanisms for information sharing and cooperation against global threats coming from outside. The end goal should be to establish a common plan and this could be reached in phases. What has been done in police cooperation during the last 20 years could serve as a model.

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

The migratory flows and their management in the European Union has developed into a structural phenomena regularly altering the political climate in the European Union showing a divergence between the objectives of the Treaties of guaranteeing an efficient management of the migratory flows based on the solidarity between Member States and an equitable respect for third country nationals (art. 67 TFEU) and reality, where we see an alignment of three groups of Member States with different interests: those on the southern border claiming a system of resettlements, the eastern countries defending their national sovereignty to decide who settles on their territory and finally the central countries, the principal objective of the desires of the migrants to the European space.

However, if there is any area in which we have a role as global actors and a crucial need to define a strategic autonomy, it is precisely this, where the national scale is incapable to confront this challenge individually. In Spain we experience it first hand, but no external border is free from pressure from political decisions taken by third countries or from crises like the recent one in Afghanistan, or the recent irregular arrivals at the eastern borders of the European Union through Bielorussia and the massive flow off refugees from war in Ukraine.

And precisely this institutional and social reception of Ukrainian refugees fleeing the war shows that the common management of this global phenomenon is superior to one based on different national policies and that we cannot allow ourselves battles of particular interests in this matter. The solidarity response of European citizens in welcoming these refugees shows their solidarity nature when governments allows it to happen. If we do nothing, future generations will tell us, in the words of Albert Camus: "We despise you because you could have done so much, but you did so little."

What are the causes of this phenomenon? How can we analyse it with a long term perspective?

The thesis: the current migratory crisis is a structural phenomenon. It is there to stay in the European society. The classic migratory flows to Europe were mostly based on what we could call a certain 'post colonial' affinity, as has been the case of Spain since the mid 90s, but there has been a complete change in our perception of this model with massive arrivals of migrants with profound political roots and a majority coming from our neighbourhood due to various factors:

- The increase in socioeconomic and political inequalities: 1) between the developed countries and the rest, resulting from failed political systems, armed conflicts and state terrorism; 2) inside the poor countries of Africa and certain parts of Asia, exacerbated by climate change and the desertification that already affects local agriculture creating widespread hunger. This is the 'push' effect.
- The capacity of our economy to attract labour in spite of the crises, offering job opportunities that are unimaginable in the countries of origin. This is the 'pull' effect.
- The social and political system of stability and values which characterises our 'welfare state' in the European Union, increases our attractiveness in the eyes of neighbours who are hit by political crises and strong social unrest.
- Finally, because for the countries in the Middle East and Africa our external borders are viewed as their own "Río Grande".

The paradox is that we need constant migratory flows if we want to give long term guarantees to the stability of our pension and social security systems in our demographically ageing societies. According to the latest report from the Commission, only in the year of 2020 we had a deficit of 11.7 million workers.

The antithesis: this phenomenon gives rise to fear and populist reactions that undermine the European project. The migratory crisis, together with solidarity actions of multiple NGOs in the field and in the receiving countries and the outstanding effort many public administrations have undertaken has caused the emergence of a very worrying phenomenon, the fear: fear of the different, fear of loss of cultural and religious identity, fear of loosing some of the prosperity, fear of the insecurity, fear of terrorism. All these ghosts are being exploited by the most populist sectors of our society.

Tangible evidence of this is the contagion of the populist movements in the pro-European political segments as shown by the difficulties of moving forward in the ambitious and global Pact on Migration and Asylum presented by the Commission in the autumn of 2020 trying to give global responses to manage this phenomenon 'in common'.

Taking the above into account there is only one synthesis. We will have to respond to this crisis from all angles from contributing to peace and progress in our new neighbourhood to integrating the recently arrived in our societies. From a system of organised crossing of borders to a coherent distribution of the refugees in the European space. It is in our interest to have a political and normative channel on a European scale as the phenomenon will not be solved only on national level. To do this we need to build a shared European vision of migration on which basis we can develop our strategic autonomy.

First of all it's about:

- Organising the migratory flows according to our demographic and productive needs (in the interest of maintaining our social market economy).
- Organising a global solidarity system for receiving refugees (in the interest of preserving our democratic model).
- Deciding how to project ourselves to our neighbourhood and contributing to its stability (the geostrategic interest).

All this should be done respecting our model of integration, democratic values, with firmness against all kinds of integrisms among the newly arrived, but also with intransigence in front of racism and xenophobia.

The Treaties give us in these areas only a timid legal basis more seeking the approximation of principles than a real harmonisation, thus leaving a maximum field of action to the Member States. However, during the last 20 years an impressive battery of measures has been put on the table.

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:

- **Within the global Africa Plan and the national plans, design with the countries of origin programmes for the control of the migratory flows** which: 1) tackle the causes of migration; 2) prepare certain segments of the population for a more programmed immigration; 3) without leaving out the responsibility that the country of origin has in the phenomenon and the need for a bilateral cooperation to help solve certain aspects.
- **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.

- **Establishment of a stable mechanism for temporary protection in cases of sudden and massive influx of nationals of third countries with binding rules on relocation and resettlement.** This will have to include the establishment and financing of reception centres.

- **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 trough the processing, and the final decision guaranteeing a homogenous treatment of the demands.

- **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.

- **Giving strategic impulse to a European policy in support of the national policies on integration of nationals from third countries in our societies;** as an example, the European instruments for specific financing with support measures of migrants especially from the second generation. This will also enhance the fight against radicalisation from a preventive and not only repressive angle.

- **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.

PART IV - CONCLUSION

At the end of this AIACE-Spain contribution to the Conference on the future of Europe, we recall the words of Jean Monnet:

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

Once again, the recent crises that have hit Europe show the enormous clairvoyance of the words of Jean Monnet.

The observations made in the areas of our contribution show that as aspects of policies, or even entire policies, are transferred from the national level to the EU central level, this transfer can result in a vacuum of power and authority that limits the ability to react to new situations and challenges. At EU level, the impact of an incomplete transfer of competences is noted in times of crisis, whether exogenous or endogenous. Crises reveal to us the insufficiency of instruments and means to react and respond adequately to them. Many of the proposals presented in this document aim to fill these gaps.

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 on when it is shown that the existing ones are insufficient. The EU addresses this lack of power, authority and means, creating mechanisms of approximation, harmonisation, different types of cooperation, structured dialogues, 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 own values and principles is limited.

The war in Ukraine and the challenge it poses to our strategic autonomy, global security and in particular European security, shows that the EU needs to become a credible global actor for others, that acts believing in itself, with the capacity to mobilise or pool the resources of the Member States in a centralised manner.

In this sense, the rapid and improvised common response to the recent crises, both to the Ukraine and to the pandemic, after the initial confusion, reveal a growing capacity of the EU and its Member States to come together and take difficult and solidarity in crisis situations, although these measures are classified as exceptional, such as, for example, the “Next Genaration EU” recovery fund, which is supposedly “one-off”. This represents a big step, as this has not always been the case.

The scarcity of resources, which, at times, has characterised the EU's decision-making and 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, preferring even to remain in a sub-optimal state but one that allows to maintain a greater degree of supposed 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 in results when given the necessary means. Important principles such as subsidiarity, proportionality, strategic autonomy, although attractive, do not always guide the actions of the MS in the EU institutions.

European citizens must understand that, in many areas, in order to achieve improvements, the EU Treaties must be amended. With our proposals we aspire to contribute to solving the insufficiencies identified in the indicated policies.

AIACE-ES shares the memory and experience of the European Civil Service. Europe belongs to our reason and is our passion. Our desire is to promote a balanced development that allows us to face together the common challenges that lie in wait. More Europe is the only way to leave a better world and greater well-being for future generations of Europeans. That is our commitment and, like the poet John Milton, we will always remain firm and hopeful. We hope that the Conference on the future of Europe will allow us to make progress on these objectives.

ACKNOWLEDGMENT

This is the first time that the EU has launched a reflection exercise on the future of Europe to its citizens, AIACE-Spain has decided to participate in it and, at the end of this work, we would like to inform on how we have organized this contribution.

In the first place, we think it was a wise decision, and a great achievement of its President, that AIACE Spain, as an association of former EU officials, shows interest and participates in this exercise. The reasons that justify our participation have been stated in the Presentation of the President and in the Introduction of the document.

The formula that we have followed of creating a working group made up of members of our Board of Directors to accompany the work of the drafting committee, made up of three members, in charge of drafting the document and with one of them also playing the role of coordinator, has reached its goal. On the basis of a general outline agreed upon by all, the drafting committee went on to write a first draft, which has been extensively discussed and improved within the committee and finally submitted to the workgroup and our board of directors.

In addition, after having informed all AIACE-ES members of our initiative, we have submitted a draft of the document to those who expressed an interest in being more closely consulted. The draft document was discussed in a meeting by video-conference and the opinions of the participants were, as far as possible, taken into account and reflected in the document.

The Drafting Committee would like to thank all of you who have participated in this process, contributing with your ideas, challenging our limits, pointing out our omissions, encouraging us to go further, but always thanking us for our efforts. Thank you all.

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AIACE-Spain's Contribution to the Conference on the Future of Europe

Listing of all Proposals

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 more can be done?

1) **Fundamental Rights:** with rapid adherence to the European Convention for the Protection of Human Rights and Fundamental Freedoms and with clear procedural rules on the dialogue between the Courts of Luxembourg and Strasbourg.

2) **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.

3) **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?

4) **European Rule of Law framework with clear parameters for its evaluation and control by the European institutions,** including a "constitutional control" competence for the EU Court of Justice.

5) **Judicial dialogue that would make it possible to find solutions to the differences in interpretation by the national courts** on issues as sensitive as the area of criminal cooperation, family law or differences in constitutional interpretation. In this sense, perhaps it would be convenient to reinforce and better individualise the so-called "recourse of interest of the law" timidly

outlined by the Treaty of Amsterdam as a useful instrument to reinforce mutual trust between jurisdictions.

6) **Principle of loyal cooperation transmuted into the principle of federal loyalty,** taking advantage of the experience of Germany and its configuration made by the Court of Karlsruhe.

7) **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 specialized 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.

8) **Reach an agreement on good practices aimed at developing a media space on a European scale.** There is no true Community of Law if there is not a dimension of free communication on its scale and addressed to its citizens.

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

Proposals: What more can be done?

9) **Inclusion in the Treaties of a definition and characterization of the community method as its own constitutional principle.**

10) **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).

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?

11) **Constitutionally consolidate the *spietzenKandidaten* 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?

12) **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.

13) **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.

14) **Reinforcement of the capacity to promote legislative initiatives.** It would be necessary for the Parliament and the Council, as legislative chambers of the Union, to be endowed with the power of initiative, without prejudice to the basic prerogative that the Commission has in the exercise of said power. The most realistic solution would probably be to reinforce articles 225 and 241 of the TFEU, establishing clear criteria on the limits of the exercise of said power.

15) **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.

16) **Finally, better coordination between the European Parliament and the national Parliaments**.

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

Proposals: What more can be done?

17) **Better constitutionaliSation of the role of the European Council as the last political instance** to guarantee the role of the EU as a global actor.

18) **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).

19) **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?

20) **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.

21) **Extension of the "emergency brake" clauses** with reference to the European Council, based on the vital interest of one or more States. It is urgent to introduce decision-making mechanisms that prevent blockade in the event of opposition from a small group of Member States, especially in areas such as taxation, security and defence policy and the defence of the Union's values with reference to the European Council and, *in fine*, establishment of "hyperqualified" majorities.

22) **Open in the Treaties an inter-se Treaty** in which a majority group of States can decide on greater political integration.

5 - Consolidation of the Council as a true legislative chamber.

Proposals: What more can be done?

23) **System of permanent Presidencies in all formations corresponding to the area of competence of COREPER II.** It would be advisable for the Council to replace the practice of the six-month rotating presidency with a permanent system of presidents elected from within it, in the formations corresponding to the sphere of competence of COREPER II (General Affairs, Economy and Finance, External Affairs and Justice and Home Affairs).

6 - Strengthen the European Commission.

Proposals: What more can be done?

24) **Merger of the positions of President of the Eurogroup and VP of the Commission in charge of Economic and Financial Affairs.** The positions of

President of the Eurogroup and Commissioner for Economic and Financial Affairs should be merged, turning them into a Vice-Presidency of the Commission. This Vice-Presidency would be in charge of mutualised financial instruments, including budgetary competence, and should be the sole representation of the euro zone in the competent international organisations.

25) **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.

26) **Establishment of the figure of "mission commissioner" without attribution of a functional portfolio.** There could be a functional division between commissioners with a portfolio and commissioners with a particular mission or mandate (for example, head of inter-institutional relations and representative on the General Affairs Council), in order to streamline the administrative structure of the different General Directorates.

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:

27) **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**.**

28) **Develop integrated production chains in the SM** to improve the allocation of internal resources, increase the capacity to create employment and trigger a better synchronisation of the economic cycles of the Member States and a

greater real convergence of the economies, which would give more stability to EMU.

29) **Establish rules compatible with, or that facilitate, free movement,** (superior principle) in adjacent policies that affect the SM; for example, a common consolidated corporate tax base in the EU or a harmonised tax on financial transactions.

30) **Achieving a balance between free movement in the SM and other EU policy objectives.** Among these objectives are the protection of consumers, the protection of workers' rights and the protection of social rights. They could be achieved better and with less fragmentation of the MU through an integrated and coherent legal framework, with specific safeguard clauses in these matters and that would attribute to the Commission powers of regulatory authority similar to those it has in the framework of State aids and competence, to ensure an equilibrium.

31) **Have robust and up-to-date industrial strategies and plans that:**

31.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.

31.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:

32) **An 'equivalent' social policy across the Member States agreed within a social dialogue.** A European citizen should maintain his or her personal back pack of acquired social rights, health care, acknowledgement of titles and professional qualifications when transferring to another Member State, even is the norms applied in that Member State are different.

33) **European legislation should establish minimum norms and, on this basis, promote a gradual 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.

34) **Give an impulse to the modernisation of the national educational and training systems, furthering the programs on life long learning** to train workers to the rapid technological changes taking place in the internal market, thus promoting professional mobility and lessening the differences between supply and demand for qualifications. To this end, Member States should give the Commission the competence to coordinate and establish binding principles of action, in line with the mechanisms of administrative cooperation already laid down in the Treaties.

35) 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?

36) **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.

37) **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.

38) **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:

39) Complete the Banking Union and that of the capital markets: for the two principal sources of financing the economy, one via the banks - debt- and another via the capital markets - capital - not yet quite develop in the EU, reach a higher level of integration and efficiency at European scale, capable of financing the recovery and the transformation towards a digital and green economy. The ongoing reform of the European Stability Mechanism will create a backstop for the Banking Resolution Fund, an essential piece in finalising the Banking Union, and will clarify the role of the European Stability Mechanism and the Commission in future programs for financial assistance in the euro zone. But other pieces are still lacking and there is resistance among the Member States.

40) 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.

41) **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 again be a 'policy mix' in monetary and fiscal policies for the euro zone. In addition, 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.

42) **Strengthen the international role of the euro:** this is difficult to obtain without the above proposals. The European Union should create instruments that increases safe assets in euros (European safe assets) and the range of financial services denominated in euros, in a push to increasing the use of the euro in international markets while strengthening its stability and liquidity. Increasing the use of the euro as an international reference currency will contribute to consolidate the Union's strategic autonomy and its global influence as well as attracting funds for the financing of the necessary investments for our digital and green transitions.

43) **Increase the accountability and democratic control in the Economic and Monetary Union:** during crises the European integration has advanced making widespread use of the intergovernmental method, i.e. measures decided by agreements or treaties between the Member States not using the community method. This is not ideal as the Union's and national democratic institutions, independent of Member States' particular interests, should be involved in the process. Furthermore, with 27 Member States the intergovernmental method dominated by unanimity rules leads to dealings between Member States again producing suboptimal agreements, as for instance the emergency brake. This fact combined with the complexity of the rules agreed needs to be simplified to help increase the transparency and credibility of the European integration in the eyes of the citizens. **In particular:**

43.a) **Fully integrate the existing intergovernmental treaties in the Treaties of the Union.** It is necessary to integrate the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (fiscal compact) and the European Stability Mechanism in the EU Treaties to guarantee that the control and accountability remains with the beneficiaries.

43.b) **Political conditionality of the respect of the rule of law;** finally to increase the coherence between community policies, it will be necessary to integrate a political conditionality of the respect of the rule of law in all instruments of economic intervention of the Union towards the Member States.

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

<u>III. 1 THE NEW PRIORITIES FROM THE PERSPECTIVE OF THE STRATEGIC AUTONOMY INSIDE THE EU</u>

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:

44) **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.

45) **Introduce in the follow up on climate change intermediate objectives with more frequent measurements, f**or instance every 2 or 3 years to measure the direction or speed of the change on the variables so as to take additional measures or strengthen already existing ones, so as to correct any observed shortcoming.

46) **All public authorities should support regions with a high dependancy on polluting industries in this transition towards clean industries.** There are many ways to reduce carbon emissions: from a better management of agricultural operation to subsidising renewable energy and reforestation. Each one of these strategies has its own costs and benefits and we will have to chose the methods of less costs to reduce emissions. These regions should therefore, on top of the financial aids from the European Climate Pact and the Just Transition Mechanism or other sources, be able to count on assistance from scientific experts to develop global and coherent plans for the ecological transition in these very specialised areas.

47) **The structural inequalities of the negative effects of the ecological transition should be addressed, also adding those that the pandemia has exposed, t**aking measures to reintegrate the losers of these two transformations, even in the regions where the transition towards green models

is easier to do. The markets can be efficient in recompensing the winners but not in compensating the looser of the technological changes or others.

48) **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.

49) **The role of global leadership that the European Union has taken upon itself and to be successful globally in the control of climate change, there is a need for a European diplomacy capable of attracting third countries towards a common strategy for climate control.** To this end, there is a need for financial incentives accompanied by transfers of technology, knowledge and good practice. The proposal about a Carbon Border Adjustment Mechanism shows that the European Union's climate ambition is of importance in its geopolitical relations. As we have been able to observe in the recent summit COP26, apart from just showing by example, on the global scale the Green Deal will only have global results if accompanied by a proactive diplomacy with means, financial and others, capable of forging new alliances.

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:

50) **Act rapidly to guarantee the good functioning of the internal market in the areas of digital technologies and innovation.** Due to the haste of technological changes in digital technologies and emerging industries we should not tolerate any excessive protectionism on part of the Member States as this could diminish the competitive capacity and thwart the economies of scale at European level.

51) **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.

52) **Complete the legislation concerning digital protection of consumers' and companies' rights to guarantee a level playing field on the digital technological market,** in the respect of free competition, motor of technological innovation, as well as the fundamental rights characterising the European society (personal data, the right to be forgotten).

53) **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.

54) **Adopt a strengthened digital agenda for European regions suffering a big digital gap, for instance the empty central Spain (España vacía).** Without a special effort towards these regions, the gap will get bigger as the technological change accelerates. This agenda should include at least following elements: an update of public and private digital infrastructures, transfer of hardware and software adequate for the services to be offered, measures to support the development of economic activities using such infrastructures and equipment.

55) **Give impulse to and support the training of the population in the technologies according to needs.** Developing digital competencies in the education is fundamental for the young in terms of employment, as well as in terms of personal development. Special attention should be given to elderly people making up for an ever greater part of the population and who are in a serious risk of digital exclusion.

3 - THE EUROPE OF HEALTH: from rhetoric to facts

Proposals: What more can be done?

56) **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.

57) **To do this the Commission should issue recommendations promoting the adoption by the Council of a framework decision** authorising the centralisation of actions in the Commission (foreseen in article 168.6).

58) **The European Health Emergency preparedness and Response Authority (HERA) should develop into the European Union's research center with a strengthening of its capacity and in a network with national centres** on the operative level. Its governance would jointly with that of the European Medicines Agency constitute one of the major guarantees of the resilience of the European Union towards future pandemic or global risks.

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?

59) **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.

60) **Create a common industry in the internal market of defence** to end the actual inefficiencies and duplications. The AIRBUS model shows us that this is possible.

61) **Create a formal 'Defence and Security Council'** with a permanent presidency and a secretarial general as well as a High General Staff depending on the HRVPI (High Representative/Vice President of the Commission).

62) **Establish a defence mechanism for multilateral matters.** There should exist a figure like a High Representative like in the US administration with capacity for coordinating and ensuring a unique voice in the multilateral fora implementing the SDG's (Sustainable Development Goals).

63) **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.

64) **Define a final border for enlargement a priori without leaving any of the actual candidate countries behind and avoid creating false expectations in others.** The lack of credibility for the enlargement policy in the candidate countries and in the European Union should lead to a redesign to give incentives to reform forces in those countries for a better preparation of their possible accession to the European Union.

65) 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.

66) **And Russia and its fit into the stability of the European continent?** In these dark days for the International Community, we must not lose sight of the fact that the EU's vocation to be a credible and respectable global actor demands of us, beyond the rejection of Russian aggression and the request of its responsibilities that a post-war scenario will imply, to be able to imagine and articulate, as an integral part of our model of coexistence developed in the last 70 years, how to incorporate Russia and what role it will have in the construction of a global political architecture of our continent, of which Russia constitutes a central element. Much will depend on the outcome of the war in Ukraine and its impact on the Russian government.

67) Reinforce the external dimension of the fight against terrorism and organised crime, including cyber crime. The European Union should include in its external strategy common mechanisms for information sharing and cooperation against global threats coming from outside. The end goal should be to establish a common plan and this could be reached in phases. What has been done in police cooperation during the last 20 years could serve as a model.

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:

68) Wi**thin the global Africa Plan and the national plans, design with the countries of origin programmes for the control of the migratory flows** which: 1) tackle the causes of migration; 2) prepare certain segments of the population for a more programmed immigration; 3) without leaving out the responsibility that the country of origin has in the phenomenon and the need for a bilateral cooperation to help solve certain aspects.

69) **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.

70) **Establishment of a stable mechanism for temporary protection in cases of sudden and massive influx of nationals of third countries with binding rules on relocation and resettlement.** This will have to include the establishment and financing of reception centres.

71) **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 trough the processing, and the final decision guaranteeing a homogenous treatment of the demands.

72) **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.

73) **Giving strategic impulse to a European policy in support of the national policies on integration of nationals from third countries in our societies;** as an example, the European instruments for specific financing with support measures of migrants especially from the second generation. This will also enhance the fight against radicalisation from a preventive and not only repressive angle.

74) **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.

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).

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 *spietzenKandidaten* 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:

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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.

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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.

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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 trough 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.

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