



05.05.2017

Critical Paper on the White Paper of the European Commission

The Missing Scenario: There are alternatives for Europeans

“Modern civilisation has based its specific foundation on the principle of liberty which states that man is not a mere instrument to be used by others but rather a main autonomous living being”

Altiero Spinelli - Il Manifesto di Ventotene

Introduction

The publication of the White Paper on the future of Europe prepared by the European Commission is a disappointing proposal which does not match the great challenges facing Europe. The document seems rather a prospective academic exercise, it lacks ambition, and the collection of vague scenarios presented does not clarify the political priorities of the Commission. We cannot cut corners regarding a diagnosis of what has led Europe into the current stalemate.

There is no doubt that Europe is at a crossroads, so ignoring the necessity to reaffirm principles of social solidarity, democracy and equality by suggesting limited game-changing proposals is a denial of the ongoing process of disintegration. The problems of Europe will not be solved by themselves: the EU cannot continue as before and expect its troubles to simply disappear therefore doing more of the same will not help European peoples regain confidence in the EU.

The text proposes 5 scenarios framed only in a paradigm of more Europe or less Europe whilst excluding the scenario we need: a social Europe able to reclaim common goods and deliver benefits that takes account of the needs of people and not economic and private interests operating in a world of diminishing resources. We need a Europe based on the reestablishment of the solidarity principle between Member States. However, in drawing up the White Paper proposal, the Commission seems to confirm its new role as becoming less political and being part of a large governance body operating independently from national elections results.

Progressive cannot give up the battle to transform the EU. Citizens have too much to lose and we believe that the model of austerity, the so-called structural reforms and the massive loss of rights and hope for Europeans must be overcome immediately.

The Commission starts its paper with the achievement of the Treaty of Rome agreed 60 years ago and how Europe took off with the Manifesto of Ventotene For a Free and United Europe.



The White Book summons the vision of Spinelli and Rossi about the creation of the European Union, but fails to deliver substance. It describes an empty future, without the necessary basis for a better future. The core principles of Ventotene's manifesto are social justice, freedom of people, peace and solidarity. In contrast, the two significant principles as presented in Juncker's proposal are peace and defence, and the only way it proposes to achieve them is with more armies and more borders, without addressing the root of the problems. The White Paper offers an empty future, without the necessary elements we need for a better future.

Hence, we stand at a watershed, between the Versailles Summit's suggestions of a two-speed Europe, and a Commission still not revealing its preference despite the fact that we were promised a "political Commission". Europe is facing a double geopolitical puzzle which is widening the inequality gap instead of building bridges: between large States and small or peripheral States where serious tax dumping hampers the integrity of the Union as an economic power; and between Eastern and Western states in respect of social competition and the lack of solidarity on asylum and immigration. The four largest Member States after Brexit are thus ready to respond to this growing fragmentation by a confession of failure: subsets of rules on geographical subsets.

Such positions implicitly confirm that no major change in the current framework of rules is on the cards. It leaves untouched the fundamental asymmetry between liberal economic and monetary rules and social and tax convergence, confirming Europe's deep crisis of legitimisation.

In recent years, the ruling conservative majority has repeatedly elaborated false answers to current challenges: as for examples: the approval of the CETA agreement (which is in total contradiction to the climate commitments of the Paris agreement), the narrow-minded belief in the internal market and the reluctance to enforce the principle of decent jobs and decent pay, the unwillingness to act on tax evasion or the 3 billion euros given to Erdogan in respect of the refugee hosting crisis, or the totally insufficient EFSI plan.

In order to address the high expectations of European citizens who are confronted with globalisation, the Union must undertake the full responsibilities of a public institution. A big shift is therefore urgently needed from the Europe of rules to a Europe of democratic projects. We strongly need a democratically designed EU with a special focus on public control and accountability, and the upholding of the democratic sovereignty. This is the only model that can pursue and enforce social justice and solidarity.

Therefore all progressive forces who want to change Europe should speak up now with an ambitious message. **Six pillars** summarise our basic political principles and these are the preconditions for a sustainable European project that will work for everyone and not just for the elites.

1. The need for social justice and solidarity: provide dignified living and working conditions for all Europeans



Since the Single Market Act, largely unfettered competition and liberalisation of trade in goods, service and people have become the genetic code of the European Union, European integration has thus been hijacked by the vested interest of big capital and has contributed to social dumping. At a time where the number of people at risk of exclusion is reaching a record of 120 million, one of our first priorities must be the fight against social exclusion and poverty. Social justice cannot be a side issue.

Long-term challenges, have to be addressed by daring progressive policies such as:

- Ensuring the pre-eminence of social rights, education and collective bargaining over freedom of capital;
- Enforcing for all workers, equal pay and equal treatment at the same place and equal rules for economic players;
- Defining a real and a shared European policy in the field of migration and asylum, built with an approach based on humanity and solidarity;
- Opening up safe and legal channels for migrants and refugees and promoting their social integration by working on a European investment plan centred on education, housing and infrastructure;
- Tackling challenges raised by technologies, robotisation and the “uberisation” of work such as including self-employed activities in the social security system, calling for the redistribution of wealth created by the new technologies;
- Establishing a minimum guaranteed income and a common unemployment insurance;
- Promoting true gender equality at work and in all aspects of life; Making Gender Mainstreaming binding for EU Policy;
- Adopting a more transversal approach when addressing the needs of vulnerable people.

2. Democratising the Union

Democratisation of EU rules and procedures should be at the core of the political agenda, it is the sine qua non condition for creating sustainable and harmonious societies.

We believe that a reform of the Treaties is necessary to empower the people. As short-term goals, within the current framework, we are advocating for the following reforms:

- The Economic and Monetary Union institutional set-up needs a deep transformation in order to ensure democratic legitimacy. All the decision-making processes in economic and budgetary areas must be transparent and carried out under strict democratic accountability and parliamentary scrutiny, avoiding technocratic governance and intergovernmental methods;
- An effective legislation that protects whistle-blowers will be an essential step to guarantee the protection of the general public interest over the private one ;



- The activities of lobbyists and organised interest groups should be rigorously controlled and reported periodically;
- Renewed commitment to participative democracy through a constituent process actively involving EU citizens and the European Parliament should be launched in order to develop a shared constitutional corpus.

3. An economy of recovery and solidarity

- Considering the effect of monetary policies, the ECB should be granted, as with the American Federal Reserve, an additional criteria on the level of employment. The ECB must become a real lender of last resort for the government bond markets;
- The European Semester is largely responsible for blocking the recovery in the European Union. It should be fundamentally reformed, including a merger between macroeconomic and budgetary approaches, to include social parameters and standards with much stronger input from both the European Parliament and national parliaments;
- New binding policy targets should be included, such as, household consumption, minimum poverty rate diminution, gender equality;
- Deregulation and liberalisation of financial markets risks new financial crises. There is great need of a moratorium on the Capital Markets Union projects;
- Enforce a common European framework for fighting tax evasion and money laundering which will include:
 - Implementation of country-by-country reporting that will require companies to disclose information about their activities;
 - The effective fight against tax havens and the prohibition of any collaboration with those involved;
 - A genuine exchange of tax information between Member States;
 - The adoption of a common consolidated Corporate Tax Base (CCCTB) as a first step towards a common effective corporate tax rate at European level.

4. Create sustainable societies

A radical change in our production and consumption is needed: the resources of the planet are limited and we can't ignore the threats posed by climate change. The fight against social, territorial and environmental inequalities starts with a Green transition plan for Europe based on:

- Energy transition, based on targets and instruments for energy saving, resource efficiency and renewable energy;
- A European reindustrialisation policy using the potential of circular economy and high-quality jobs in the framework of a carbon neutral economy;



- The reform of economic and fiscal rules to develop low-carbon economies with the help of instruments such as the financial tax transaction and a carbon tax at EU borders whilst also taxing adequately environmentally-costly activities;
- A deep reform of the Common Agricultural Policy in order to radically diminish the use of chemicals while ensuring sustainable and fair agriculture and food production;
- The strict application of the precautionary principle in the regulation of business activities in order to guarantee the health of humans and ecosystems as well as the preservation of commons;
- Accessible retraining for laid off workers in digital skills and other competencies needed for the process of energy, and other low carbon activities.

5. Build a public regulation of globalisation

By encouraging the removal of monetary and non-monetary barriers in our economies, globalisation has significant restructuring costs. We know globalisation is creating more losers than winners but little has been done to ensure that hypothetical benefits are equitably shared. On the contrary, social, environmental, economic and territorial inequalities are exacerbated by the destructive power of globalisation.

- Therefore we suggest the adoption of ambitious and protective rules for the future of EU trade policy. These rules should be based on multilateralism and defend European fundamental values. Respect for democracy, human and social rights, tax justice and protection of the environment must take precedence over trade agreements, in line with the “Alternative Trade Mandate” adopted by the European Parliament in 2014, which states that trade agreements should only be concluded when they do not harm people or the planet.

6. Peace politics

Today’s orientation towards national interests represents a fall back into the politics of nationalism of the first half from the last century which resulted in two world wars. We are internationalists. No war should emanate from the territories of the EU.

- The last few years have shown that military interventions as in Syria, Libya, Afghanistan and Iraq do not lead to more but rather less security, along with a destabilisation and breaking apart of states.
- The European Union must work for peace and a sustainable world and not for the rearmament of Eastern borders. The European Union must promote more balanced international relations, a better sharing of wealth between the North and the South, policy coherence for development should be



genuinely promoted and development aid policy must have as its sole aim the eradication of poverty and not the retention of migrants in third countries. Decision makers often fail to fully recognize the role of culture as a pillar of peaceful and sustainable development. Access to culture and increased cultural and inter-cultural competences will be an important feature for social cohesion, individual and collective wellbeing.

In view of the forthcoming European elections of 2019 and several national elections in 2018, there should be some debate on the institutional future of the European Union.

Democracy, social justice, social convergence, sustainability, solidarity and gender equality must be at the core of the deep change that the European Union needs. Against the choice between status quo and nationalism, the Progressive Caucus believes that there are alternatives for Europeans. These alternatives should be discussed further, completed with other political and social forces and put forward over the next period.