

GENERAL POLICY RESOLUTION

Adopted by the UEF XXV European Congress, Strasbourg, 12 June 2016

The Challenge of our Time: Uniting Europe in a Time of Multiple Crises

The European Union is jeopardised by multiple crises that are threatening its existence and the political project of peace and integration that it embodies. After the prolonged economic and financial crisis, most recently the refugee emergency and the problem of domestic security have added to Europe's challenges.

At the root of the difficulties the EU is having in coping with these crises lies the fact that its current system of government has proven to be inadequate. Only by building up political unity – i.e. an effective, democratic and accountable system of government at the European level – can Europe become strong enough to guarantee European citizens' future, both in terms of internal and external security and with regards to growth, employment and social welfare.

The institutional framework to build Europe today: a two-circles Union

Despite all the challenges Europe is facing, the last months' events have shown the existence of deep disagreements between Member States within the EU. This is partially due to a lack of reciprocal trust but, above all, it is caused by the different opinions on the future of Europe that some European countries have; and by their lack of will to share the political supranational values and the required sovereignty that is necessary to build up political unity and to regain it at the European level.

Hence, an institutional reform formalising a two-tier European Union has become more and more necessary. As the deal agreed between the United Kingdom and the European Council already acknowledges: "Member States not participating in the further deepening of the economic and monetary union will not create obstacles to but facilitate such further deepening" and "Member States whose currency is not the euro shall not impede the implementation of legal acts directly linked to the functioning of the euro area and shall refrain from measures which could jeopardise the attainment of the objectives of economic and monetary union". While a special status has been recognised for one Member State not willing to achieve an ever closer union, "the coexistence between different perspectives within the single institutional framework ensuring consistency, the effective operability of Union mechanisms and the equality of Member States before the Treaties, as well as the level-playing field and the integrity of the internal market has been guaranteed".

Therefore, in order to achieve political unity, the European project must be grounded on the creation of a federal core, open to all countries willing to participate; this core cannot but be irreversible and able to bind Member States to mutual responsibility and solidarity. At the same time the reform must foresee a different level of participation in the EU institutions for any countries that should chose to not participate in the new federal core but still want to be part of the EU single market.

The necessary reforms can be achieved either through the revision of the existing Treaties, or by means of the adoption of a new Treaty or Protocol for the members of this federal core.

Towards a European sovereignty: time to revise the Treaty again

Some improvements in EMU governance and other policies can be achieved through the Lisbon Treaty on the condition that national governments demonstrate the political will to do so. The question of Treaty change should therefore be put in the centre of European political debate.

The revised EU's institutional architecture should be aimed at building up a truly European sovereignty, creating a federal system of coordinated and independent levels of government. The current deficits of efficiency, democracy and accountability must be overcome. The European Commission must evolve into a true European Government responsible to the European Parliament, representing the citizens, and the Council, transformed into a kind of Senate of the Member States for all legislative matters. As a first step, the governance of the Economic and Monetary Union needs to be overhauled, under democratic scrutiny of and being accountable to the European Parliament and the Council, by appointing a Finance Minister of the euro area. S/he must be empowered both to implement a consistent economic policy backed by a genuine euro area budget funded by own resources, and to intervene in the setting of national economic and fiscal policies in case the commonly agreed standards are not respected. The Eurozone budget should be financed through the said own resources, by European-level taxes, in particular the Financial Transaction Tax, the profits of the European Central Bank, and the issuance of Eurozone public bonds.

The revised institutional structure should be built around the political union of the countries sharing the euro, or at least of a majority of them. It should be open to non-euro area countries which are genuinely committed to joining the single currency and encourage their participation to the largest extent possible in order to facilitate the process of integration with the federal core. There is no need for new institutions, but only for an adaptation of the roles and functions of the existing ones, with flexible ways of participation in and of decision making. Especially the strong role of the European Parliament, which remains as a whole the parliament of the entire European Union, has to be maintained and strengthened also in the federal core; with the clause that when decisions about the euro area, particularly in case of fiscal legislation specific to the euro area Member States, are at stake, only these Member States vote, even though all members should be invited to discuss those matters.

The new treaty must extend the European Court of Justice's jurisdiction to all the fields of EU law.

Moreover the Treaty reform has to be used to establish a budget of the euro area aimed at purposes such as supporting macroeconomic stabilisation and insurance against shocks and providing public goods and assistance for necessary reforms of the euro area countries, and boosting the convergence of participating non-euro area countries with the federal core.

Those countries not willing to participate in the federal core must have the possibility to remain integrated into the single market in the framework of the *acquis communautaire*, but should not be allowed to have the power to hinder the building up of the federal core.

Progressing pro-unification supranational policies

In parallel with opening a revision of the Treaties, implementation of policies aimed at clawing citizens' trust and consensus back are urgently needed. These policies must address all the issues that are creating fear and uncertainty among public opinion, thereby robbing populist and nationalist forces of any false solutions they try to present.

In the economic and financial fields – In these fields policies focused on countering the deepening of the economic divergence among Member States in the euro area are absolutely necessary, together with a true capacity at the euro area level to foster economic growth and employment. The euro area needs: a complete Banking Union and a true Capital Market Union; stabilisation and adjustment instruments to address economic shocks and imbalances in the euro area economies; a genuine investment plan, funded, decided and implemented at European level – (from this point of view the so-called Juncker Plan is a positive first

step, but the euro area capacity on this issue must be substantially strengthened); its own dedicated budget, with own resources; the implementation of structural reforms by Member States.

In the social field - In addition to reducing macro-economic imbalances between Member States, stopping and reversing the rise of social inequality is central to maintaining the stability of our democracies on every level. Challenges related to social inequality arise across the European Union, and take various forms. The deterioration of social cohesion in our societies, for instance between religious communities, is a core challenge that can only be tackled through a European answer, based on European values. The question of the reach of solidarity among European citizens, groups of citizens and member states is key in debates on how to react to the challenges of European migration. Concerns about the social rights and duties of refugees can only be answered from a clear perspective on social values and ambitions on the European level. Rising social inequality, deteriorating social cohesion and access to social welfare system are at the basis of current problems such as alienation from political systems, questions of identity and culture, frustration about the perceived injustice of systems of solidarity and redistribution, and the fear of others, which poisons the democratic debate in countries around the world.

In the area of justice, freedom and security – The European Union also urgently needs to progress in the area of justice, freedom and security. Any proposal to suspend or dilute any European achievement must be opposed, especially as far as the reintroduction of internal borders control within the Schengen Area are concerned. It is necessary to create rapidly a European integrated management of European external borders, adopting the European Commission's proposals for restoring a fully-functioning Schengen system establishing a European Border and Coast Guard, and transforming the European Asylum Support Office into a federal agency with clout. Integrated European intelligence police and forces must be developed to address cross-border crimes and internal security threats in an efficient way ensuring full respect of Fundamental rights. The EU urgently needs an effective, well balanced Common European asylum system based on mutual trust and solidarity between Member States. A European legal migration policy, also able to fairly distribute the burdens of these policies, must be established, reflecting the new paths and trends of human mobility, as well as demographic and productivity challenges. In this perspective an ambitious integration policy at the European level should be introduced to respond to the increasing ethnic, religious and cultural diversity challenges European societies are facing, and to hinder all forms of racism and xenophobia.

As regards common foreign, security and defence policies – The European Union will not become the global actor it aspires to be unless its Member States commit themselves to developing common foreign, security and defence policies in order to overcome the present diverging and ineffective national approaches. Such policies must first take responsibility for contributing to the stabilisation of neighbouring areas in the Mediterranean and in the Middle East. Moreover, in order to establish a genuine European Defence Union with full involvement of the European Parliament in the framework of a unified and robust European foreign policy, it is necessary that the Council launch a credible roadmap which must foresee the creation of a European Army.

Taking all the above questions into consideration, the XXV UEF Congress, gathered in Strasbourg, mandates its bodies to prepare as soon as possible and on the basis of the above guidelines, practical tools to be used at European and local level and by the national, regional and local sections, to mobilize the public opinion and to ask all the MEPs and national MPs as well as other national and European political leaders to embrace and work for the above goals.