

Resolution adopted as amended

WHAT'S NEXT FOR EUROPE? MORE UNION FOR THE EU

The current crisis dramatically reveals that the EU has so far failed to make decisive steps towards democratic processes, putting at stake socio-economic cohesion and social justice.

We as Greens believe in an open and strong Europe with solidarity at its core, able to both protect its citizens and face the current crises. The EGP therefore dissents from the notion that slowing down the process of building an ever closer and more democratic political Union would solve the crisis. But the EU must gain more democratic legitimacy and change its current policies to reconstruct our economy towards new green economic and social patterns, to combine solidarity, solidity and sustainability, to reshape democracy and defend the rule of law.

Citizens must have the ability to influence decisions and the EU must take a decisive step towards a political (federal) Union, based on a short constitution adopted through an EU wide referendum.

Prevailing responses to it are destabilising our democracies and undermining people's livelihoods, health, jobs and perspectives on sustainable economic development, whilst triggering angry retreats into nationalism and populism and undermining European global solidarity. In the eyes of many Europeans, the EU is merely a far away place where mysterious and foreign men and women take unchangeable decisions, or a bureaucratic machine wasting their money with no real solutions in sight. Nevertheless, a majority of Europeans are still positively inclined towards the European idea.

1. We are facing at the same time a tendency towards a “renationalisation” of EU policies and a “de-democratisation” of the decision-making process, notably (but not exclusively) at EU level, away from the community method and towards a greater use of intergovernmental decisions and informal meetings. We must play a role in reversing these trends.
2. The awarding of the Nobel Peace Prize to the European Union presents an opportunity and a responsibility to give new strength and direction to the historical relevance of European unification, and highlight the importance of mutual support and solidarity within the Union.
3. Democracy has to be defended and promoted throughout, and the EU must further develop into a system with limited but real supranational competencies and increased own resources; such sharing of sovereignty and a coherent application of the subsidiarity principle must permit Member States to keep and improve more stringent standards and regulations, most notably in social, environmental, health, human and civil rights matters;
4. The 2014 European elections should contribute to strengthening the European democratic space and to the mobilisation of voters around our proposal for a Green New

Deal, and a more democratic, transparent and better functioning European Union.

5. The EGP fully commits to presenting to voters a comprehensive political agenda and a team of women and men able to represent and communicate it all over Europe. We remain committed to working for a comprehensive reform of the EU, to pushing for the establishment of transnational electoral lists and to starting the discussion on the strategy of the Greens for the nomination of the Commission President and HR.

The EGP Council entrusts the committee, in cooperation with the newly established working groups, to present proposals for the elaboration of a “Green strategy towards the 2014 elections,” involving the parties and in cooperation with the GGEP to be presented to the next Spring Council.

6. On the current debate on the urgent measures to get out of instability:

We cannot wait until the next EU elections to act: an alliance between citizens, civil society, trade unions, social movements, responsible business and progressive political forces is required to lead Europe out of the crisis. We can overcome growing nationalist and populist tendencies by mobilizing from this point on and by advancing our ideas in forthcoming election campaigns so that the EU helps Europeans to find more and better jobs, to develop sustainable, innovative economic activity and a perspective for a better, common future.

7. In the short-term, the following measures are urgently required:

- a. Provide Greece with appropriate time to enable a gradual consolidation of its public finances in an economically viable, socially just and environmentally sustainable way. This would entail (a) that reform efforts, such as the establishment of a properly functioning taxation system be pursued and reoriented in order to avoid dismantling the welfare state (b) that the EU supports a credible strategy, mobilizing available financial instruments at its disposal in order to rekindle sustainable private investment in the country and a further restructuring of the countries' debt in order to bring it back to a viable trajectory.
- b. Move away from the one-sided push for budgetary austerity and wage deflation. Apart from increasing social inequalities, the effects of such one-sided policies are actually economically counter-productive, as the IMF itself acknowledged in October. Countries with high excess in current accounts must take responsibility too. This necessitates a credible investment strategy combining available public instruments (regulations, tax policy, public investment bodies, such as the EIB, etc.) in order to mobilise and redirect existing private and public means towards making Europe a leading force in resource and energy efficiency.
- c. Break the link between States and their banks by enabling direct recapitalisation by the ESM of systemic institutions at risk. At the same time we have to make sure that this recapitalization is dependant on cooperation. This in turn requires the direct supervision of banks - the first step in a so-called banking union. In this respect, the EGP supports a pan-EU supervisory mechanism endowed with the powers necessary to directly supervise all banks in the Union, with the possibility of delegating tasks where appropriate for practical reasons to national supervisors, and placed under an independent European banking supervisory authority that would be fully accountable to the European Parliament. Moreover, enhancing banking and other financial regulations,

and fighting for the closure of tax havens, must go hand-in-hand. Companies that have operations in tax havens are to be excluded from public procurement. The separation of investment and commercial banks is necessary.

- d. Reverse the “mission creep” on the part of the ECB, which has been encouraged by the inability of the EU Council to properly address the Euro-crisis, and has led it to increasingly straddle the line between monetary and fiscal policymaking. The independence of the ECB is to be respected, but its operations must become much more open and transparent, inter-alia through the publication of the minutes of its meetings. Likewise, the ECB must also respect the independence of the EU institutions and Member-States in policy-making.
- e. The emergency in the Eurozone has led to the proposal of the ECB-based supervisory mechanism, primarily as a short-term measure to allow direct recapitalisation of eurozone banks via the ESM. The legal basis proposed presents a number of serious difficulties in relation to conflict between monetary and supervisory policy, the single market, the rights of non-Eurozone member states, and the accountability and supervision of conglomerates that include insurance undertakings. For this reason, the EGP considers that the proposed mechanism cannot be the basis for a lasting pan-EU solution.
- f. Complement the single banking supervision mechanism with an EU-level deposit guarantee and banking resolution scheme, thereby completing a credible banking union while promoting the diversity of business models in the banking sector. The related European funds should be financed with risk based levies on banks, and enable orderly failure of banks without the need for systematic public intervention to support them using tax payers money. These measures should not lead to fewer restrictions on the banks or a greater risk to financial stability.
- g. To enhance public confidence in the EU and the EU's finances, the Greens will press their governments to issue an annual Member State Declaration, audited by the national audit institution, concerning the management and control of the funds they spend and the revenues they collect on behalf of the EU.

8. In the medium-term, the following measures are needed:

- a. A comprehensive European tax strategy: beyond implementing the financial transaction tax (FTT) under enhanced cooperation, significant progress must be achieved in the fields of climate/energy contribution and corporate taxation, as well as in the fight against tax fraud and evasion.
- b. Provide the Euro-zone with an effective financial firewall, which would entail the provision of a lender-of-last-resort to sovereigns (the establishment of the ESM and the announcement of the conditional sovereign debt acquisitions by the ECB (OMT) are still falling short of what is required). We support granting a banking license to the ESM, which combined with a majority voting procedure, would provide the necessary firewall.
- c. Progress towards mutualisation of public debt, with the transformation of the ESM into a European Monetary Fund, democratically accountable, under EU law. This can enable a gradual rollover of legacy government debt into a redemption fund while providing initial capability for issuance of short-term debt (Eurobills) under joint and several liabilities.

At the same time every country shall commit to good economic governance and root out corruption.

- d. Reinforcing the EU budget as a key instrument to meet the three major challenges: support the ecological, economic and social transitions, promote social cohesion and maintain EU influence and solidarity at the global level. It must be an instrument of economic policy and a driving force to change the EU and build a cohesive Union. A substantially more ambitious EU budget is needed, funded by own resources co-decided by the European Parliament and flowing from the FTT and climate/energy contributions, enabling partial relief in the level of Member State contributions. The budget must also then be complemented through project bonds in order to finance projects of general interest, such as a pan-European renewable energy infrastructure, to create common instruments to fight poverty and to support structural “green” changes.

Within that perspective, the establishment of a separate budget for the Eurozone, in a context where several Member States (including those from the Eurozone) are advocating a substantially lower EU budget, appears a dangerous and potentially divisive diversion. Reinforcing the EU budget as the key instrument must remain the priority.

- e. Counterbalance the macroeconomic imbalances that are one of the main factors of the Euro crisis. This concerns surplus as well as deficit countries.

EUROPE CAN DO BETTER: the path to a democratic reform of the EU

- 9. The necessary reform of the EU cannot be confined to its economic governance, and above all it cannot be the purview of Member States’ governments alone, acting unanimously behind closed doors. Any deepening of integration, and notably any sharing of sovereignty, has to be accompanied by increased rights for parliaments, both at national and EU level, to scrutinise and co-decide, as well as through a large-scale public debate and innovative direct democratic processes.
- 10. The EGP reaffirms the importance of keeping the EU together and rejects any proposal of institutionalization of the Eurozone or the creation of new “Eurozone members only” institutions: the Commission, Parliament and the Court of Justice are EU institutions and cannot be sub-divided or replicated. There can and there should be a choice for Member States to accept further integration steps or not. Such a choice should not be based on membership of the Eurozone, but on the will to share sovereignty and to find common pathways to shape the future of Europe. The EU will need to define the terms of participation of Member States who choose not to accept further or full integration, in negotiation with them and on the basis of existing agreed commitments.
- 11. The EGP is convinced that any new reform of the EU must have democratic legitimacy at the European level; active solidarity, social progress and democratic responsibility must be at the core of the EU project. National ministers and diplomats should not alone carry responsibility for the shaping of the EU future, contrary to the statement included in the European Council Conclusions of 29th June 2012, according to which the ownership of the reform of the EU belongs to Member States only. The EGP believes that European citizens and their representatives have to play a major role in shaping the future of the EU.
- 12. The EGP considers therefore that in the event that limited reforms of the Treaty on

economic governance (Fiscal Compact 2) were to be decided before the EU elections of 2014, the EP should be fully associated with the process and national parliaments should be involved as well.

13. The European Parliament carries a special responsibility in involving citizens and social actors in the reform process. The EGP calls on the EP to take up this challenge and to convene in early 2013 an Interparliamentary Conference, open to the contribution and participation of European political parties and civil society. Such a conference should represent the first step towards a comprehensive reform of the EU, to be finalized through a new form of Convention, a Constituent Assembly or by conferring a constituent role on the EP elected in 2014.

BEYOND THE TREATY OF LISBON:

The EU must re-orientate its actions and resources away from «austerity at all costs» and towards sustainability, green jobs, social justice and sustainable public finances. It must be enabled to take decisions, steering away from the inconclusive summits and empty consensus on ineffective measures.

Priorities of the next EU reform are:

1. Fill in the democratic deficit: The EP must have the power to initiate legislation and to fully exert its co-decision and scrutiny rights in all areas where it now has only consultative rights (notably on issues of economic governance, migration, taxation, budgetary affairs, foreign and security policy). The normal decision-making process should be, and should evolve towards, a second legislative chamber, and veto rights should be removed in all EU areas of competence.
2. Strengthen direct democracy and citizens participation instruments: The European Citizens Initiative is a step in the right direction to a formalized and direct participation of citizens in the decision making process. Nevertheless, it needs to be made easier to organise. The Citizens Initiative should extend its scope to include changes to the Treaty and should be able to present legislation more easily.
3. Strengthen the democratic governance of the EU through an articulation of the powers of the relevant institutions (including regional and local), with a better integration of the different social and citizenship actors.
4. Strong regulations must be adopted to ensure transparency, prevent conflict of interests and stop corporate capture of EU institutions.
5. Social Union: the European Union cannot just focus on the economic and financial dimensions; if it is to be seen as an actual promoter of well-being and social justice, it must lay the foundation of a true social union as a common area of social security and solidarity. This should entail the setting of minimum social standards in the fields of wages, pensions, unemployment benefits and health coverage, effectively guaranteeing a minimum level of social protection for all Europeans. The establishment of common instruments to fight poverty in areas of the Union under severe social stress should be considered, as well as the importance of strong and accessible public services and the preservation of common goods. Furthermore, possibly using enhanced cooperation, Member States should be encouraged to move towards a common unemployment benefit, health coverage and individual as well as collective workers' rights schemes to bring basic

elements of their social and legal protection systems together at the European level. This would enhance the true mobility of citizens across the Union and substantially enhance its resilience to asymmetric macro-economic developments.

6. More own resources for the EU budget and better expenses: the EU budget must be based on a system of own resources (through FTT, eco-taxes, etc.) to make it less dependent on national contributions and vetoes, and to allow it to support policies of common interest and solidarity.
7. Debt mutualisation: a treaty revision must establish the legal basis to issue joint and several liability debt (Eurobonds) and/or a redemption fund.
8. From competition to cooperation in the field of taxation policy: a treaty revision must make taxation policy subject to full co-decision under a qualified majority-voting rule. This must enable a gradual harmonisation, especially in the fields of corporate and financial sector taxation, energy and resource taxation as well as of fighting tax fraud and evasion.
9. A greater voice for freedom and human rights: The EU must become more efficient, more visible and more determined in the defence of the rule of law, of freedom and human rights, including socio-economic and environmental rights. Both mutual trust within the EU and the EU's global reputation are undermined by the persistence of corruption, attacks on media freedom, and a lack of election security in some EU countries. Obligations deriving from the Charter of Fundamental Rights must be made more stringent and the Charter must cover a larger range of rights and civil liberties, including rights of citizens of third countries. Its scope must not be limited to the EU institutions or Member States when implementing EU law, but should rather apply to all Member States' actions. The European Union Agency on Fundamental Rights needs to be empowered – upon request from the Commission, Parliament or the Council – to also monitor developments in Member States regarding their compliance with the fundamental values of the Union as spelled out in Article 2 of the Treaty on the European Union, building on the relevant experience of, and in cooperation with, the Council of Europe. The system of sanctions must also be made easier to implement.
10. A stronger common presence in the world: The EU must have the ability to act and speak with a united voice on the world scene and on behalf of Member States.
11. The procedure to change the Treaty must be significantly altered: intergovernmental conferences acting behind closed doors, being forced to reach a unanimous consensus, should no longer decide the future shape of the EU. Rather there should be a parliamentary convention open to contributions from civil society, social partners and the public; or a directly elected Constituent Assembly, convened on the basis of a mandate co-decided by the EP and the representatives of the Member States acting by qualified majority. EU citizens should have the final say through an EU-wide referendum. We believe that no country should be forced to accept a new treaty against the will of its people.