

## **POINTS FOR REFLECTION ON THE PROPOSAL OF THE SPINELLI GROUP FOR A EUROPEAN CONSTITUTION**

The Spinelli Group is drafting a proposal for a European Constitution. I think that this work should concentrate on three points. First, it must clearly set out the reasons why it has become dramatically urgent to create the European Federation starting with the eurozone countries. Second, it must focus on the general principles relating to the powers and institutions of the European Federation – principles that should guide the elaboration of a comprehensive text by the European Parliament. Third, it must clearly set out the constituent procedure that is necessary in order to arrive, effectively and rapidly, at the European Federation. This means specifying the composition of the Convention, its decision-making procedures, and the procedures for ratifying the draft Constitution. I here offer, schematically, some thoughts with regard to these three points.

### *European federation or European disintegration*

The European Union has come to a crossroads and is faced with two alternatives: to start the rapid construction of the European Federation (uniting the eurozone countries and any other EU members seriously intending to join the eurozone), or to accept its own inevitable disintegration. This dramatic choice is based on the fact that we find ourselves faced with three existential challenges.

A) The first and most crucial challenge is the dramatic crisis of the euro, whose severity cannot be underestimated. It is plain to see that the single currency is moving towards collapse and there are two main reasons for this: the social and economic crisis that is gripping the whole of Europe (and looks set to be aggravated by the incipient global currency wars), and the increasing gaps between the EU's stronger and weaker states. Moreover, it must be obvious to everyone that the collapse of the euro will spell the end of the process of European integration. A return to the national currencies – at this point it must be stressed that irresponsible proposals, such as one euro for the strong countries and another for the weak ones, or the introduction of margins of fluctuation between the euros used by the different countries, would amount to dissolution of the Eurozone – would not only come at an enormous financial cost, but would also result in the collapse of the common market due to a return to competitive devaluations and various other forms of protectionism and, as a result, nationalism. Basically, it would mark the end of a 60-year historical cycle that has

guaranteed the European citizens conditions of peace never previously enjoyed, as well as unprecedented levels of both political-social and economic progress. It would be a catastrophe of immense proportions for the Europeans, and would also have very severe consequences for the world as a whole, given the exemplary nature of the process of Europe's pacification and the key role that a united Europe is called upon to play in the building of a fairer, more peaceful and more environmentally sustainable world.

The dramatic severity of the crisis of the euro demands radical choices in order to sustain and strengthen the monetary union. It is crucial to recognise that decisions on the bailout fund, the fiscal compact, a more active role for the European Central Bank, etc., however useful they are in the immediate term, are only stopgap measures that do not tackle the roots of the problem of Europe's current grave weakness, a weakness due, fundamentally, to the fact that it has a currency but no European economic government. Having a European economic government means creating a fiscal union among the eurozone countries, equipped with a European treasury to enable it to act as a lender of last resort. It also means having a supranational budget to allow the adoption, at European level, of measures geared at bringing about a revival of environmentally and socially sustainable growth, and therefore European taxes and eurobonds capable of at least tripling the EU budget, which currently does not even amount to 1% of the European GDP. It also entails close European supervision of banks. In short, it means having the capacity to impose strict financial discipline in a context of solid and consistent growth and effective solidarity. The German government is absolutely right when it says that structural solidarity between Europe's strong and weak countries cannot be introduced without a system allowing strict and effective government of the European economy.

A true European economic government implies a substantial transfer of sovereignty, in the macroeconomic and fiscal sectors, from the states to Europe and, therefore, an efficient and democratically legitimate supranational institutional system. For this reason, the plan currently being considered by the governments, i.e. to create separately and in succession the four pillars (banking union, followed by fiscal union, economic union and finally political union) now universally recognised, both within and outside the eurozone, as essential in order to give the euro a government, as well as the credibility and solidity it needs in order to survive, is unrealistic. The mandatory requirements of democratic legitimacy (no taxation without representation) and operational efficiency demand that the four unions be combined in a single federal constitutional treaty that must include an agreement on the necessary consolidation of the states' finances, on the

unpostponable launch of a growth pact, and on the structure of the federal and democratic institutions.

B) The second challenge that must be borne in mind is the urgent need for Europe to acquire a real capacity to act at international level. This means abandoning the intergovernmental cooperation model in the field of foreign policy, security and defence in favour of gradual, but effective, transfers of sovereignty. The following are just some of the reasons why federalisation of these policy areas is so urgent:

- The challenges the world faces in a range of areas (environmental, economic, social and security) can only be met through a process of strengthening and democratisation of the international global order. The EU has a structural duty to work in this direction: indeed, being itself the product of a great and ambitious process of interstate pacification, it has the credentials to play a key role in the pacification of the world as a whole, providing it is able, without the obstacle of national vetoes, to become a full and effective actor on the world stage.

- As well as allowing savings (clearly important given the current economic and financial crisis and the resulting unsustainable borrowing), a European government of international relations would considerably increase the efficacy of the European economic government, guaranteeing a greater capacity to protect European interests worldwide and paving the way for improvements in global financial and economic governance. Among other things, it is necessary to put a stop to competitive devaluations worldwide.

- The organic economic and financial (and therefore also fiscal) solidarity at supranational level that European economic government entails cannot be achieved unless it is accompanied by solidarity in the field of external security. In other words, unless all the states involved in creating the European economic government undertake, in proportion to their size and resources, to pursue common security and defence (and thus to take real steps towards introducing a European army, a single foreign policy and diplomatic service, and unification of development and food aid), those states forced to bear the weight of undertakings that also benefit other states, not making similar undertakings, are bound to seek compensatory measures. Clearly, this would undermine economic integration and economic and fiscal solidarity.

C) The third challenge to be overcome is that of the European citizens' growing disaffection with the EU. This is shown by constantly declining levels of participation in European elections and in the growth of populist, eurosceptic and nationalist parties, now not far from reaching levels incompatible not only with the advance, but also with the very preservation of the degree of European integration achieved thus far.

This alarming decline in support, among the European citizens, for the ideal of European unification is substantially determined by two factors. The first is the EU's incapacity to effectively address the problems most keenly felt by the citizens, which relate to different aspects of security (economic, social, environmental and international). Second, with fundamental decisions falling to supranational organs that are neither efficient nor subject to the kind of democratic control demanded by the canons of Western political civilisation, the European institutions are hampered by what has become an unsustainable lack of legitimacy. These two factors bring us back to the crucial need for a true European government that is an expression of the European citizens' participation in the democratic process. It has to be underlined that both these failings are particularly significant in the eurozone, given the exceptional importance of the decisions that need to be taken at this level.

### *The powers and institutions of the European Federation*

#### *The powers*

It should be made quite clear that the Federation must have not only exclusive powers with regard to the single currency and the single market, but also the powers necessary to create a European economic government. Fundamentally it must have fiscal power, i.e. the power of taxation, allowing it to create a budget amounting to 3% of the European GDP. It must also be allowed to incur a maximum structural deficit of 0.5% of GDP, which corresponds to what is laid down in the fiscal compact for the national budgets. There also needs to be a strengthening of common policies in several fields: social, industrial, energy, research and internal security. As regards the field of foreign policy, security and defence, provision should be made for a transition phase during which these areas will move progressively towards full federalisation (at which point the budget will have to amount to 5% of the European GDP).

#### *The institutions*

##### *The government*

The European Federation should be a parliamentary federation, not a presidential one like the USA or France. Indeed, a presidential system would not sit well with the strong national pluralism that characterises Europe. Thus, the election of the executive (i.e. the Commission equipped with full executive powers) should be tied to the European Parliament elections when the parties would be required to put forward candidates for the presidency of the Commission (which would become the

government). In this way, the head of the government, while appointed by the Parliament, would also be, to an extent, the voters' choice (i.e. would be semi-elected by the voters). This would strengthen his authority and therefore enable him, overcoming the one-commissioner-per-state rule, to decide how many ministers to appoint and who should fill these posts. These appointments (head of government and ministers) would have to be approved by the European Parliament through a vote, and the individuals in question would have to have the Parliament's confidence. However, the fact that the executive would be under the control of the EP must not be allowed to result in the weakness and precariousness that typify many parliamentary systems. An unstable government would be extremely hazardous for a vast and markedly multinational federation like the future European Federation, in which the key danger would not be the impetus towards centralisation, but rather the risk of a decline towards confederalism. Therefore, it would be necessary to maintain the current principle whereby a qualified majority is required to pass a vote of no confidence (in accordance with what was also envisaged by Spinelli's draft Constitutional Treaty).

#### *Legislative power*

Legislative power would be held by the EP and by the Council of Ministers which would be transformed into a senate of states composed of representatives of the national governments (along the lines of the Bundesrat) or of the national parliaments. The senate would no longer have the executive powers that are still exercised by today's Council of Ministers. It would always vote by a majority (of citizens and of states), and it would not have the power (held only by the EP) to bring a vote of no confidence against the government.

The basic principles shaping the system for electing the European Parliament need to be specified: greater proportionality, maximum number of MEPs (600?), a uniform electoral system with regional colleges.

#### *The European Council*

The European Council should remain, but not as the highest political body of the European Union: this role should instead be exercised by the government, supported by the citizens' consensus. The European Council, must be a weighty collegiate presidency of the Federation, must have a stable president and must vote, without exception, by a majority. Since the Federation's executive powers would be exercised by the Commission (transformed into the government), the European Council should retain a decisive role in deciding the broad lines of common foreign, security and defence policy only for a transitional period (i.e. until these policy areas are fully federalised).

### *The constituent procedure*

As already said, rapid creation of the European Federation is crucial because it will allow the building of a European economic government, which is the essential condition for saving the single currency and European integration. Therefore, the federal leap forwards can be taken only by the eurozone countries and by those states that intend to join the single currency, in other words, by the countries that vitally need the Federation and that, by joining the monetary union, have already taken a significant step in this direction. Moreover, some EU member states (the UK, the Scandinavian countries, and some eastern European countries) are, at present, showing absolutely no willingness to enter into a federation. In short, the starting point of a constituent process destined to lead effectively and quickly to the European Federation must unavoidably be the overcoming, from the outset, of the unanimity rule. Basically, the eurozone countries (and the other EU members seriously intending to join the monetary union) must decide, issuing a new Schuman Declaration to this effect, to implement the constitutional process among themselves, and thus to create a federation within the confederation, i.e. within the broader EU comprising all the member states. The latter would obviously all retain the rights already acquired and would be guaranteed the possibility of joining the federal vanguard at a later date, should they wish to do so. It would be necessary, first of all, to draw up a “pre-constitutional” agreement between, on the one hand, the existing and prospective eurozone countries (in the case of the latter provision could be made for a transitional phase towards full membership) and, on the other, the states outside the eurozone that currently have no intention of adopting the single currency. Such an agreement would allow the former to create the Federation and the latter to renegotiate the terms of their participation in the common market. Clearly, it must be chosen the way of a new treaty and not of the revision of the Lisbon Treaty, which requires unanimity.

The constituent process of the federal union must be a fully democratic one, not only for the sake of principle, but also because of the need to recover consensus, among the citizens, for European unification, a process that has unfolded systematically over the years without any real involvement on their part. To counteract eurosceptic and populist tendencies, it is necessary not only to create democratic federal institutions capable of responding effectively to the fundamental needs of the European citizens, but also to create them through a truly democratic process. Substantially, this means two things.

First of all, the treaty establishing the European Federation (being a constitutional treaty) cannot, unlike the fiscal compact, be formulated by an intergovernmental conference; rather, it must be drawn up by a constituent assembly. Clearly, however, this assembly, without a clear mandate and a pre-constitutional basis, could neither be convened nor draw up a coherent treaty. The type of convention envisaged under art. 48/2 of the Lisbon Treaty, which makes provision for the presence not only of European parliamentarians but also of national MPs and governments (the Commission has an advisory role) is acceptable because the goal is to create a federation of nation-states, in other words a strongly decentralised federation in which, compared with existing models of federation, the member states play a far more significant role. What is needed in this case is a more federalist constituent procedure, which thus must overcome the confederal and antidemocratic aspects of the model of constitutional convention laid down by the Lisbon Treaty. A codecision procedure along the lines of the legislative codecision procedure should be adopted, involving the parliamentary component, on one side, and the representatives of the national governments, on the other side (both deciding by majority). It must be stressed that the Convention must be open only to representatives of the eurozone and prospective eurozone countries.

Second, the draft Constitution approved by the Convention should not be submitted to an intergovernmental conference but ratified in a referendum to be held simultaneously in the countries that participated in its drafting. Provided there is a double majority of states and citizens, it will then come into force among the ratifying countries. The requirement to hold a European referendum derives not only from the need for direct popular participation, clearly crucial to the legitimisation of the federal Constitution, but also from the need to avoid the isolated national referenda that, in many cases, would be held. These are actually fraudulent, as they fog this issue of European unification, allowing it to become drawn into questions of support, or otherwise, for the national governments in office. Also, only a European referendum would allow the Europeans to express their views as the European people.

The desperately urgent need for the European Federation demands, as we have said, solutions within a short time frame, also because a long and complicated constituent process would only increase the citizens' disenchantment with the European project. For this reason, the road map for the European Federation must adhere to the following deadlines:

- in the second half of 2013, a new Schuman Declaration must be issued by the governments ready to create the federal union, pressing ahead even in the absence of unanimous agreement;
- the Convention must be entrusted with drawing up the draft Constitution before the 2014 European elections;

- The ratification by referendum of the draft Constitution must take place at the same time as the European elections;
- Parliamentary ratifications (which in many countries will still be needed, but which, for obvious political reasons, may not overturn the results of the referendum) must be completed in the second half of 2014, so that the Constitution comes into force in that year (a hundred years since the start of the European civil war!).

It is worth pointing out that the decision to have the ratification referendum coincide with the European elections would undoubtedly have decisive and positive effects with regard to the crucial need to politicise the European elections and encourage participation in them.

Should time constraints make it impossible to obtain the Convention's approval of the draft Constitution ahead of the European elections, it would be necessary to have a "pre-convention" (Interparliamentary Assizes) produce a preliminary draft to be voted upon in a de facto referendum held at the same time as the European elections.

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