

UEF DRAFT MANIFESTO 2014

(Proposals of amendments, suggestions - in bold - and deleted words
by MFE-Italy)

Congress of the Union of European Federalists, Berlin, 16-17 November 2013.
Manifesto for a Federal Union

The European Union is in deep trouble. The long financial crisis, which has led to economic stagnation, has exposed the weakness of the EU **and EMU** institutions and a lack of commitment to the European Union by its states and citizens. **The EU's basic structural flaws lie in the insufficient political cohesion of its institutions. The monetary union has not been completed by a fiscal, economic and political union and is still without an economic government and sufficient budget resources to deal with the crisis. Moreover, the decision-making power is concentrated in one single body – the European Council, which decides according the unanimity rule and behind closed doors – which the European Parliament and the Commission are subordinate to.**

Dealing with the crisis

Federalists believe that only deeper **banking, economic and** fiscal integration, leading to political union, **starting from the Eurozone** will fulfil the true potential of a Europe united and free.

In the first instance, decisive action is needed to disentangle sovereign debt from banking debt. Regulation must be tough, clear and fair. Fiscal discipline must be accompanied by economic reform. A better balance must be struck between fiscal consolidation, on the one hand, and investment in growth and jobs, on the other.

UEF calls on the EU institutions to complete before the European Parliamentary elections all the legislation for the creation of a true **Economic and Monetary Union** ~~banking union under the supervision of the European Central Bank, including a common resolution mechanism and an EU wide deposit insurance scheme.~~

The following concepts are repeated in the paragraph on economic government. We propose to shift this block of sentences in that paragraph.

[We welcome the legislation already put in place which will ensure budgetary responsibility at the national and European level. We urge the EU institutions to step up the debate on how to share the burden of a portion of debt.

The volume of project bonds and the lending capacity of the European Investment Bank should be increased in order to boost in particular investment in building Europe's networks and infrastructure.]

Treaty change

The Treaty of Lisbon is being stretched to breaking point under the pressure of managing the present crisis. Treaty revision is unavoidable if the Union is to escape from its present difficulties. A new treaty will mark an important new stage in European integration in which the eurozone is transformed into a fiscal, **economic and political union.**

We call for a constitutional Convention to begin **as soon as possible** ~~no later than spring 2015~~. Its agenda must be broad, **but linked to a coherent political project which should define the new European institutional architecture and the relationships between a renewed European Union and a federal Euro-core.** Such a project should be immediately drafted by the European parliament or,

alternatively, by a Congress/Assizes of National and European MPs expressly summoned to discuss the remedies to the present crisis. ~~with the discuss and its consultative processes effective.~~ The Convention should **then be asked to** draft a fundamental law for a federal union of Europe's states and citizens **willing to accept to share a single currency, fiscal capacity and economic government.** The new treaty must provide a durable settlement of the governance of the Union **and the EMU, and define the institutional framework of the coexistence of Euro and no or not yet Euro countries,** along with a clearer sense of things to come.

The new treaty will signify a renewal of the pact on which the Union is founded, along overtly federal lines. Those states and citizens who sign up to it will renew their commitment ~~(to the euro and to the building of a federal polity)~~ **to the European project.** Its effect will be to enhance the capacity of the Union to act in any given field. The revised treaty must provide a better constitutional framework inside which governors and law makers are enabled to make efficient and effective choices about the future direction of policy.

At the same time, the new treaty must respond to Europe's contemporary challenges, not least to equip the EU to tackle the social impact of economic austerity, to boost competitiveness, to build trans-European networks and to complete the single market in services.

A common immigration and asylum policy is now needed to make a reality of the EU area of freedom, security and justice. The meaning of EU citizenship should be widened.

The European Union will not be the global actor it aspires to be unless it makes more of a political commitment to developing common foreign, security and defence policies.

The treaty revision must not fail to adjust competences or increase the powers of the **European** institutions where necessary in order to achieve these objectives.

Federal economic government

The main feature of the new treaty will be the installation of a federal economic government ~~(of the fiscal union)~~ **for the EMU.** The financial and economic policy of the eurozone will be run by ~~a an EU~~ Treasury Secretary. The Eurozone ~~(, operating under the provisions of enhanced cooperation,)~~ will acquire its own fiscal capacity **with revenues based on a direct supranational taxation of the financial transactions and the CO2 emissions.**

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The volume of project bonds and the lending capacity of the European Investment Bank should be increased in order to boost in particular investment in building Europe's networks and infrastructure.

The treaty ~~[will permit the progressive mutualisation of a portion of sovereign debt subject to strict conditionality. It]~~ should lift the prohibition on deficit financing on the stipulation that the federal debt of the Union shall not exceed the sum of its own resources.

As the Treasury Secretary needs financial autonomy, the new treaty needs to reform the Union's financial system. This means:

- **to establish an ad hoc additional Eurozone budget**, suppressing the rigid application of the principle of *juste retour* and moving away from the current system of direct national contributions **to a budget exclusively based on substantial, genuine own resources, which gives the EMU the power to pursue its political objectives** ~~to the EU budget;~~
- **to rethink the EU budget structure and financial systems.** ~~Union needs substantial, genuine own resources which gives it what it needs to deliver its political objectives. Revenue based on direct taxation at the EU level would save national treasuries money.~~ **In any case** the revised treaty must abolish the unanimity rule for the decisions on own resources and **reduce the duration of** the multi-annual financial framework, **in order to make it coincide with the term of office of the European Parliament.**

A better democracy

The new treaty will, first, render the two chambers of the legislature more equal and, second, transfer to the Commission most of the residual executive powers now held by the Council. We make it explicit that the Parliament and Council ~~of Ministers~~ **transformed into the second chamber** form the legislature and the Commission becomes the government of the Union. The role of the European Council **is of a collegial presidency** ~~constrained accordingly.~~

The most serious limit of the Commission lies in the lack of a direct relation with the citizens. And yet, according to the provision of art. 17.7 of the Lisbon Treaty, the direct election of the President of the Commission can be the result of the European elections and the political majority taking shape in the European Parliament, provided that European political parties choose their candidates to the Presidency of the Commission. Therefore, the leader of the political party (or the coalition of political parties) which wins the European elections is destined to lead the Commission.

In a federal system addition, ~~we propose to:~~

~~abolish~~ **the unanimity rule in the Council for all decisions would be abolished**

- ~~abolish the unanimity rule in the Council for all but very specific decisions, such as enlargement [if the Council of Ministers is the second chamber, no veto right will be permitted];~~
- ~~allow the President of the Commission to chair the European Council;~~ **the institutional architecture of the EU does would not obey to the logic of a Presidential regime, where the offices of Head of State and Head of Government are unified in the same person, but obeys to the logic of a Parliamentary regime, which separates those offices, being the European Council the collegial Presidency of the Union and the President of the Commission the Head of Government.**
- ~~reduce~~ the size of the Commission, whose members will be picked by the President-elect, **should be reduced;**
- ~~facilitate the use and widen the scope of the enhanced cooperation provisions~~ [note: in a federal system enhanced cooperation provisions are still a quite controversial issue and however not an indispensable mechanism];
- ~~introduce a pan-European constituency for the election of a certain number of MEPs~~ [note: this issue is quite controversial and however not an indispensable one in a federal system];
- lift the restrictions on the scope of jurisdiction of the Court of Justice;
- ease access to the Court of Justice for individuals;

- introduce a more democratic procedure for seats and languages;
- give ~~Parliament~~ **the two chambers legislature** the right of consent to the accession of new states;
- give Parliament the right of consent to treaty changes.

A deeper legitimacy

~~We propose that unanimity should be kept only for those treaty changes which affect the competences of the Union.~~ A more flexible and democratic procedure is needed for treaty changes of lesser importance, and future treaty revisions should enter into force either once ratified by **a qualified majority of the two chambers representing the qualified majority of the population** ~~(legislative and four fifths of the states)~~ or if carried in a pan-EU referendum.

EU states cannot be forced against their will to take the federal step. At the same time, such states cannot be allowed an open-ended possibility to pick and choose what they want from the EU and discard the rest. Yet more *à la carte* opt-outs and derogations risk fracturing the cohesion of the *acquis communautaire*. Free-riding means disintegration.

We therefore propose to create a new category of associate membership for any state which chooses not to join the federal union **or the renewed EU**. Institutional participation would necessarily be limited. Continued allegiance to the Union's values would be required, but political engagement in the Union's objectives would be reduced. Associate membership will also be an improvement on the present European Economic Area, and would be open to other European countries.

To the achievement of these objectives, UEF ~~welcomes~~ **encourages a broad and public debate on** the Fundamental Law of the European Union as elaborated by the Spinelli Group of MEPs. We commit ourselves to advancing the cause of European federal union in the interests of a more peaceful and prosperous world.

The Union of European Federalists commends this manifesto to the political parties and candidates campaigning for election to the European Parliament in May 2014.