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**Proposals for the future of the European Union**

Promoted by the President of the Government of Catalonia, the Catalan Reflection Group on the Future of the European Union (in Catalan, *Grup Català de Reflexió sobre el Futur de la Unió Europea*) was created in January 2009. The goal of the Reflection Group is, from a Catalan perspective, to come up with proposals on the future of the European Union and to provide input on the kind of Europe that Catalonia would like. The aim is to submit the proposals to the Reflexion Group, chaired by Felipe Gonzalez, on the Future of Europe in the 2020-2030 Time Horizon.

Inspired by the European Group's task, and coinciding in time with the preparatory stages and the start of Spain's six-month Presidency of the Council of the European Union, this exercise is consistent with the European tradition of Catalonia.

Catalonia has always been an active participant in the European project, within the institutional framework that defines its relationship with the European Union's political, legal and institutional areas. Now, it is determined to take part in the definition of the future of the peoples of Europe and in the open debates on key issues, because the future of Europe is our future too. This is the spirit that has guided the Catalan Group's reflection and the aspirations behind the proposals contained in this document.

The Catalan Reflection Group on the Future of the European Union is made up of experts with acknowledged experience in diplomatic, political, institutional and academic areas. The diversity of profiles, backgrounds and perspectives, which reflects the country's diversity, has enriched the debates and has engendered a mature and plural reflection.

The Group's members are Eugenio Bregolat, Ignasi Carreras, Carles Casajuana, Joan Clos, Concepció Ferrer, Gregorio Garzón, Carles Gasòliba, Joan Majó, Juan Antonio March, Federico Mayor Zaragoza, Miquel Nadal, Josep Piqué, Juan Prat, Eduardo Punset, Jacint Ros Hombravella, Narcís Serra and Josep Verde Aldea. Anna Terrón is the Group's secretary.

The integration process has been very positive for all the peoples of Europe and continues to be a sound and attractive project. In half a century, the European project has achieved peace and stability on a continent that, historically, had been troubled by internal conflict. The project has also proven to be able to enhance the democratic quality of its Member States and the quality of life of European citizens.

Today, the European Union embodies a set of remarkable rights, including those referred to culture and language diversity. From a legal point of view, the Charter of Fundamental Rights of the European Union defines the values shaping the European Union. These values are shared by all Member States. They also constitute compulsory criteria that must be met by States wishing to join the European Union. The Charter has the highest possible legal value. It is the most advanced Charter ever to be proclaimed by a democratic State with respect to individual and collective rights.

The European Union has undergone successive enlargements, from six to twenty-seven Member States. The strength and appeal of the European Union continues to be evidenced by further accession requests and by the fact that none of its Member States has ever decided to leave.

The single market and the single currency are two of the most important milestones achieved in the European integration process. The Maastricht Treaty aimed at the creation of the Economic and Monetary Union. However, progress has only been achieved on monetary union and in the current context of economic crisis it has become clear that in a monetary union it is essential to strengthen the coordination of economic policies. Errors in terms of Europe's adaptation to globalisation have also been witnessed. These errors have led people to question the European socioeconomic model, given its gradual loss of competitiveness.

The need to face up to other global challenges, such as climate change, securing energy supplies, a common approach to and management of immigration, and the battle against poverty

and inequality, to name but a few, make it necessary to define strategies and develop new instruments.

In the international context, the European Union is confronted with a loss of relevance, as opposed to China's increasing international leadership, the resurgence of Russia and the growing protagonism of new powers such as Brazil and India.

A bipolar scenario is developing in the world, where the influence of the United States and China predominates<sup>1</sup>, the Pacific Ocean is attracting more and more attention, and the international weight of individual European States is diminishing. Only a European Union that speaks with a single voice will be able to guarantee its protagonism in the global arena.

The protagonism of the European Union is diminishing in multilateral groups too. This is due to the fact that the EU as such does not have a representative in the United Nations Security Council, the International Monetary Fund and the G-20, to name but a few organisations and meetings; there are only representatives of the interests of the Member States.

The coming into force of the Treaty of Lisbon heralds the introduction of institutional and operational improvements within the European Union. The creation of figures such as the President of the European Council, the High Representative of the European Union for Foreign Affairs and Security Policy and Vice-President of the European Commission must contribute to enhancing the visibility of what is being done and to clarifying who does what. In addition, we have now the most powerful European Parliament ever, and an institutional framework that provides for the consolidation of a multi-level governance system.

The failure of the Constitutional Treaty led the E.U. to a period of institutional paralysis and uncertainty, from which it is only now starting to emerge. Even though it takes the basics of the Constitutional Treaty as a point of reference, the Treaty of Lisbon is considered to be a necessary yet insufficient milestone. The political agenda and priorities of the Member States continue to set the pace of progress of the integration process.

<sup>1</sup>In the opening meeting of the first U.S.-China Strategic and Economic Dialogue in July 2009, the President of the United States said: "The relationship between the US and China will shape the 21<sup>st</sup> century".

Today, the unique political initiative which allowed peace to be consolidated in Europe and assured the welfare of its citizens, is finding it hard to keep generating active support. The identification of citizens' problems and needs and the process of public decision-making are still approached mostly from a national angle. The lack of political leadership and the complexity of the institutional and decision-making system reinforce the feeling of a *crisis of effectiveness* of European Union policies. In addition, there is an increasing degree of apathy among Europeans towards the European Union.

Demographic, social and cultural changes are taking place at an ever faster pace and entail greater complexity when it comes to defining and consolidating European values. The response given to challenges such as the migratory phenomenon and the management of diversity will define, in itself, the profile and essence of the European Union.

A strong Europe with an efficient institutional system, transnational political parties and leaders and well informed and demanding citizens;

An active Europe that takes initiatives, makes itself heard, participates in global debates with a single voice and anticipates the social, technological and productive challenges of our times;

An open Europe that consolidates and expands its system of rights and freedoms, based on the "United in diversity" motto, aware of its tradition and not afraid to look ahead;

A Europe that takes a joint, responsible approach to the environment, contributes to sustainable development and the eradication of poverty, defends human rights, intervenes in emergency situations and contributes to keep and restore peace;

A creative Europe open to new realities, taking heed of social, technological, productive and environmental demands;

A closer, more decentralised Europe, that respects and takes into account the contribution of regional and local governments.

# Proposals

## Consolidating a European political space

The European integration process has consolidated its democratic legitimacy with such developments as the election of the European Parliament through direct universal suffrage since 1979, the creation of the figure of the European Ombudsman and the right to petition established by the European Parliament under the Treaty on European Union, and the right of popular initiative recently established under the Treaty of Lisbon. However, the challenge remains of encouraging citizens to fully exercise their political rights and achieve the consolidation of a true European political space.

<sup>2</sup>The Maastricht Treaty already anticipated a future agreement to establish a standard European Parliament election procedure in all Member States. However, this agreement had to be made unanimously by the Council, which did not happen. Subsequently, the Treaty of Amsterdam introduced the option to establish common principles that, in a later decision, were firmed up in the principles of proportional representation and incompatibility between national and European mandates.

The Catalan Reflection Group on the Future of the European Union is convinced that the European integration process remains a valid project and that it should continue to progress. It is from this perspective, therefore, that the following proposals are made.

- 1** We propose to harmonise the election rules of the European Parliament and to establish a **single electoral system for the whole of the European Union** with Europe-wide lists<sup>2</sup>.
- 2** To reinforce the role of **European political parties**. The creation of truly European political parties and the establishment of European lists would bring citizens closer to the institutions and facilitate the participation in European elections.
- 3** **The European Union should assume the role of a Europe-wide service provider** in certain areas. It could cover specific service provisions, traditionally in the hands of other administrations, with the potential of achieving a European dimension, such as pension funds. To consolidate a citizens' Europe, it is necessary to consolidate social cohesion and basic rights, and to make the advantages and specific rights of citizens within the European space clear. Becoming aware of that reinforces the feeling of belonging.

- 4** A **European model needs to be defined**. The new strategy should go beyond State logic and:

- Keep the fundamental traits of the **European economic and social system**, in particular the concept of a social market economy embodied in the Treaty of Lisbon;
- Stress the need for a **sustainable economic model**, respectful of the environment and promoting economic policies which, whilst fighting climate change, achieve improvements in productivity through better use of resources;
- Incorporate the need for a **restructuring of the energy sector** from the point of view of efficiency and alternative fuel sources, with the objective of reducing CO<sub>2</sub> emissions;
- Keep **knowledge as the basis for economic growth** while underscoring other key factors such as innovation, research and the digital economy.

- 5** **The knowledge economy** must be made available to the whole of Europe's population, following criteria of social cohesion, equality and inclusion. In this regard, **specific adaptation and training measures** need to be promoted for groups at risk of exclusion, in particular the elderly population, whose demographic weight is becoming more and more significant.

- 6** In a context of overcoming the present crisis and in order to reinforce the European Union's global competitiveness, there is a need to improve the **efficiency of the European infrastructure policy**. That should include prioritising the so called Mediterranean corridor, which is strategic for Catalonia.

## An economic and social model adapted to the new challenges

To face up to global scenarios over the next decades and to have a socioeconomic model adapted to the challenges of globalisation, the priority should be to define a new, innovative and sustainable strategy for growth and competitiveness. The system based on a free market economy with regulatory and redistributive intervention by political powers, proper to a social market economy, needs to be consolidated. This truly European model is the best guarantee to prevent new global financial crises and it should be the starting point for a new economic world order.

### A common economic policy

The single market and the single currency are two major milestones in the construction of Europe. However, it is necessary to push ahead and complete the Monetary Union with the establishment of a true Economic Union. This step is essential to guarantee the future of the euro and to improve the competitiveness and weight of the European Union in the global context.

The Eurozone should be the hard core from which to promote new developments in economic coordination and the seedbed of a common economic policy, without prejudice to its gradual extension to a higher number of countries. In order to consolidate its role, it is also essential that the European Union increases its spending limit (currently the budget of the European Union cannot exceed 1.24% of its total GNI).

- 7** It is proposed to promote **common policies in the fiscal, labour and budgetary fields**, to harmonise European Union fiscal regimes and to develop common structures in the labour market and in infrastructure planning.
- 8** It is proposed **to raise the community budget up to 2% of the EU's total GDP**. This increase in funds managed by the European Union would be financed by a greater contribution to the European Union budget by Member States, increasing the percentage on the VAT rate, which could go up from the current 1% to 1.2%.
- 9** It is proposed to allocate this budget increase primarily to three community policies: 1. **Research** in strategic areas such as basic research and research on renewable energies and non-polluting transport; 2. **European foreign policy, security and defence actions**, such as joint peace-keeping operations; 3. **Pan-European transport, telecommunications, energy and environmental infrastructures**.
- 10** It is proposed that key concepts like **deficit and public debt be dealt with and measured on the European scale**.
- 11** **A future European Treasury** could be envisaged. With this aim in mind, the European Central Bank should be able to issue European bonds, with an indebtedness never exceeding 5% of GDP.

- 12** It is proposed that the **European Union take part, with a single voice**, in groups like the G-8 and G-20. This single participation of the European Union should entail the redimensioning of these to ensure a fair representation of all parties. In international financial institutions such as the International Monetary Fund and the World Bank, it is also proposed that there be a single participation of the European Union.
- 13** It is proposed that **the High Representative of the Union for Foreign Affairs and Security Policy take part in the United Nations Security Council**. The degree of European agreement involved in submitting such a proposal would already be a significant step.
- 14** The EU should also speak with a single voice and define **a profile for itself when talking to the rest of the world**. This question is especially relevant in **the relaunching of transatlantic relations**.
- 15** **External representation of the European Union needs to be consolidated** through its Delegations but also with a European External Action Service that should rely on the national diplomatic services, whilst avoiding duplicities.
- 16** The **role of the European Union must be strengthened** in those areas where its activities have become a benchmark: development **cooperation, environmental policy and climate change**. All of these elements are an integral part of the European foreign policy, but they need to be better coordinated.
- 17** The EU's **relations with Latin America must be strategically defined**. This is a region which has traditionally attracted the interest to the European Union. It is important in economic terms but also in reinforcing the EU's international profile. The growing weight of Asia and the Pacific region could challenge the key role Europe has played vis-à-vis Latin America so far.

### A single voice in the international arena

Europe must speak with a single voice in the international arena and respond in a unitary, decisive and coordinated manner to global challenges.

The defence of European interests must rise above national interests if we are to ensure that Europe is seen as a global actor and defending common values. External representation of the European Union needs to be consolidated, since national interests do not always coincide.

### A genuine foreign policy

European foreign policy is one of the policies that European citizens most unanimously want to reinforce, but there cannot be a genuine foreign policy without strengthening others. The European Union already has political, economic, commercial and cooperation instruments, but they need to be used in a coordinated and more consistent manner.

### A defence policy and European armed forces

Europe must make a decisive move towards developing a powerful and credible European defence. A true Foreign policy cannot do without the will and the capacity to defend it. Furthermore, the EU cannot underestimate the defence area in its dialogue with the other current international key actors.

### Borders consistent with history and open to the future

The EU declares to be open to any country that fulfils the democratic, political and economic accession criteria. The successive enlargements have raised the EU's potential for commercial and economic growth. In addition, the more recent ones have been particularly successful in reconciling and unifying a continent that had been fraught with war and confrontation and in overcoming the Cold War years.

Today, while the Union strengthens itself and negotiations with other candidate countries for accession are pursued, the EU must continue to look further afield. It must aspire to have strong, stable geographical surroundings and be the main point of reference for them. That must lead the EU to face new responsibilities in its geographical surroundings to contribute to their progress.

**18** **Defence policy needs to be strengthened** and, if some countries are ready to move on faster than others, it is proposed to use the mechanisms of enhanced cooperation. Nevertheless, to ensure that there are no splits in European external action, much care will need to be taken to prevent States or groups of States from establishing zones of influence, where solely national or regional interests are defended. Care will also be required to ensure that the principle of speaking with a single voice is upheld.

**19** **The European Union** needs to have its **own armed forces**. These must not be conceived as a prolongation of national armed forces. They should focus on crisis management and peace-keeping.

**20** The EU must make a decisive move towards **the integration of the Balkans**, a key region in the history of Europe. The pacification of the Balkans is vital for the EU and, therefore, the Union should lead initiatives aimed at securing peace in the region.

**21** **Once it has fulfilled all the accession criteria, Turkey should be able to join the European Union.**

**22** We propose to **consolidate a Neighbourhood Policy based on wide-range trade and political agreements**, aimed at fostering economic progress and political stability in the EU's geographic near abroad. Due to its recent expansion, the EU has new neighbours with whom it must define a stable and structured framework for relations. The EU should not close itself off from the rest of Europe, but should rather **offer alternatives to enlargement** to those States that do not comply with the accession criteria, as well as to those that do not wish to join the EU, despite their belonging to the European family.

**23** The EU must **strengthen political and economic relations with Russia**. In this regard, we propose to gradually integrate Russia into the European market to take advantage of economic complementarity.

**24** The EU must aim at **becoming a power with real transformative ability in the Mediterranean zone**, and not just remaining a prestigious model. It must get more decisively involved and consolidate its role as the main international agent in the region, actively taking part in all efforts to secure peace, economic progress and stability, which are vital to European stability and security.

**25** In the Mediterranean, the EU has the opportunity to prove that **enlargement is not the only way to create peace and prosperity**. The Mediterranean process must incorporate all of the advantages of the EU neighbourhood policy and become the reference for Mediterranean countries.

**26** It is necessary that **the Union for the Mediterranean combines its focus on projects with a focus on political dialogue**, pursuing democratic reform and securing peace.

**27** Besides institutionalising the political aspect of the process, the EU needs to reach **advanced statutes with each of the southern partners**, as it has already done with Morocco, while acknowledging the possibility of different degrees of cooperation between the EU and other Mediterranean States willing to do so.

**28** Catalonia, at the forefront of Euromediterranean dialogue and cooperation, should have, with the establishment of the Union for the Mediterranean, the will to further promote **the regional and local dimension of the Euromediterranean partnership**.

### Special attention to the Mediterranean

The Mediterranean is a geopolitically strategic region. Without a stable, prosperous Euromediterranean region, Europe's ability to act would be diminished considerably. Without the inspiring principles of the Barcelona Process, it is impossible to imagine the development of democratic reform or stability in the region.

The creation of the Union for the Mediterranean has put on the limelight the relations in the zone. It is an opportunity, although there is a need to monitor how issues such as immigration and religious extremism evolve, since they could lead to conflict scenarios.

### A European energy policy

Demands for energy are growing at a very quick rate, especially in countries undergoing rapid development, but the EU is still one of the greatest importers of energy in the world, and it is likely that its degree of energy dependence will continue to rise significantly.

Energy policy has cross-cutting implications, given the fact that it affects a country's domestic and foreign policies, the environment, the economy, etc. The energy sector is a key geostrategic sector in which the EU must act jointly in order to mitigate the impact of its external dependence, which could have unforeseen consequences.

### A closer Europe

Regional and local governments are key actors when it comes to the transposition and application of EU law, but besides this function, which they execute by means of decentralisation or delegation of powers in their respective States, they also have enormous potential to bring the European Union closer to citizens.

For regions with legislative powers, the lack of adequate participation in the decision-making process may jeopardise the proper rollout of European policies and undermine the traditional support for European integration from these regions. The fact that regions with legislative powers do not exist throughout the European Union cannot get in the way of their institutional dovetailing in a project that proclaims unity within diversity. In this regard, the EU and Member States need to acknowledge the specific nature of these regions and integrate them into the institutional system in accordance with their responsibilities.

**29** The EU must have a **common energy policy** which is critical for responding ambitiously to EU objectives in terms of foreign relations, whether with regard to Russia or to the consolidated protagonism in fighting climate change.

**30** Before 2020, the EU must be specific about **building a single energy market**, diversify supply by means of a complete pipeline network, improve interconnections, increase the use of renewable energy and energy efficiency, and develop a commercial emissions plan.

**31** It is proposed to integrate **the regions with legislative powers** in both top-down and bottom-up phases of the **EU decision-making process**, according to their responsibilities and their position in the respective constitutional order.

**32** It is proposed to deepen **the multi-level governance system when formulating and implementing EU policies**. Continuity should be given to developing the mechanisms provided by the Treaty of Lisbon and the institutions of the EU –especially the Committee of the Regions – in order to strengthen coordinated action and increase shared responsibility among the different levels of government.

**33** It is proposed to **specialise and focus community action** on those areas that constitute the aim of the European Union, namely on the promotion of peace, of its values and the welfare of its peoples, through the establishment of a political space that integrates citizens and guarantees their rights, the operation of Economic and Monetary Union and the articulation of a foreign and security policy.

It is in these areas where Europe works best and brings the highest added value, and where it is necessary to apply the principle of subsidiarity upwards. In addition, it would have a demonstrative impact that would allow the advantage of community action in these fields to be appreciated.

**34** It is proposed to **reduce the number of European Commission portfolios** to minimise the tendency towards intergovernmentalism and adjust the number of Commissioners to the European Union's priority action areas and not to the number of Member States.

**35** It is proposed to generalise the **use of the enhanced cooperation mechanism whenever consensus is not possible** and, in a second stage, to gradually eliminate the requirement for unanimity in the decision-making process in all areas.

### A European Union that works

The operating method that was satisfactory in an EU with 12 or 15 Member States can hardly be applied to the EU-27. We are in a situation of hypertrophy of community legislation, in which regulation on some issues is piling up while action areas are multiplying.

The European Union already works in certain areas that need to be identified, and to which it is necessary to provide sufficient financial resources. Also needed are strong, democratic institutions, capable of acting efficiently and transparently, with the capacity to design and roll out common policies.



### Europe at the forefront of training new-century citizens

The knowledge economy entails such essential changes in the productive systems, that it is fair to say that the industrial model we know is now in crisis.

The priority given to production processes and to the exploitation of labour over the respect for the individual is no longer competitive. Competitiveness and productive development demand an ongoing decisive move towards innovation based, above all, on people's skills and motivations. One of the implications of this step towards a knowledge economy is the need to acknowledge the vital role of people as the key economic agents of competitiveness.

### Knowing about the history and values of the European Union

European Union citizens have common historic past and cultural roots. Over and above wars and confrontations, a certain notion of the world has prevailed, different from the one held and experienced in other continents. However, Europeans often see the EU as being something alien, partly because attention is focused on the complex, hard-to-simplify instruments of the EU instead of stressing values and major objectives for the future.

To counteract that tendency, more emphasis needs to be placed on education, citizenship and culture, explaining what Europe is all about by taking a close-up approach in each country.

**36** A **new European training syllabus** is needed to provide training that is closely linked to the technical developments of the new economy. New personal and social skills must be integrated into traditional syllabuses, including learning how to manage emotions and values in order to consolidate the ethical basis and values of future generations.

**37** It is necessary to **create a continuing education scheme which is compatible with and integrated into working hours**. European institutions promote continuing education for workers and immigrants, which is essential for their competitiveness and for a demographically ageing population to adapt to the labour market. However, the move towards continuing education will only be sound and effective with the involvement of national, regional and local governments and social agents.

**38** It is proposed that **common history, culture and geography be taught at secondary schools** throughout Europe. The goal is to make young people aware of the common historic past and shared roots that we have as European citizens, as well as the perspectives that a shared future holds, fostering an EU-belonging feeling from childhood. A common syllabus would need to be defined and should also include the history of the Europe-building process and its institutions.

**39** It is proposed to plan and carry out **communication campaigns and actions** focusing on the **key values of the Charter of Fundamental Rights** that identify and distinguish the EU, with the aim of consolidating the feeling of European identity and belonging.

**40** It is proposed to promote more **Europe-wide media** to carry out the task of providing information and generating public opinion on top issues of the European agenda. The existence of European public opinion that takes a stance is fundamental in order to counteract the disaffection of European citizens towards the European Union and to consolidate a true feeling of common belonging among the citizens.

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