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EUROPEAN PROJECT FOR THE SOCIALISTS :

NEW FEDERALISM

Inspired by the socialist governments and the European Parliament, considerable progress has been made, particularly during the last five years, in European integration: introduction of the euro in 12 member states, the launching of the Lisbon strategy, the approval of the social agenda, the CFSP and the creation of a military rapid intervention force as well as the Charter of Fundamental Rights. But now what is missing is the will to incorporate these achievements in treaties and to submit them to the Community methods and to the EP's democratic controls.

Results from the Nice European Council on 8 and 9 December 2000 were sparse: a European Council meeting that was supposed to end at noon on Saturday went on until the wee hours of the morning on Monday and only produced a **minimal agreement** wrenched from fragile, complicated, last minute negotiations that were ununderstandable to a European public in search of more ambitious, transparent, democratically legitimate decisions.

We must take heed of this Agreement since it does not hold back the EU enlargement that we support with all our strength. It also leaves room for stronger cooperation, and sanctions an amendment to Art. 7 of the Treaty on respecting EU values. For the rest, the Agreement is far below the level of the current EU stakes (creation of the euro zone, effectiveness of the institutions, role of Europe vis-à-vis globalisation).

Nice created a sense of alarm. The European Council there demonstrated the erosion of EU governments' European ambitions and a concurrent rise in national egoism. Besides lacking a European vision, the Intergovernmental Conference methodology showed its restrictiveness at a

time when European construction was going through an identity crisis and when the march towards European unification was to take a decisive step.

I - The state of the Union after Nice

All this has nearly paralysed Europe's decision-making powers and in no way responds to the questions from our fellow citizens. Without a forceful response, it will be impossible to generate energy and enthusiasm and to push governments into making the efforts needed to replace a little of their nominal sovereignty (often a question of prestige) by real sovereignty and efficiency.

Proof shows us that **at present, there are two functions that Europe hardly fulfils.**

The first one concerns international defence of its social model. Besides a certain level of democracy, development and income, Europe, has another common feature. When compared with the rest of the world, it has very good quality services in the general interest, a high level of social protection. But the European model is being challenged, not so much from within, since the majority of our fellow citizens in all the countries want to defend it, as from without. Whether it be with regard to (a) our international financial standards, (b) the absence of clauses in trade regulations to protect the rights of the individual and the environment, (c) the overabundance of tax havens that encourage the developed countries to use their savings to pay for "social dumping", or (d) simply the absence of control over the extreme volatility of capital, a purely internal defensive attitude can no longer secure our mode of life. **We need aggressive global stance, with economic and monetary power being buttressed by equally powerful diplomacy and a worldwide position supported by a military capacity that serves the cause of peace, thereby demonstrating the generosity of our political construct.**

The second unfulfilled function: European participation in building a more harmonious world. There are more and more local wars, and they are becoming ever more devastating. Nuclear proliferation is more threatening than before. Russia is searching for both stability and its place in the world. After centuries of humiliation and underdevelopment, a billion Moslems are looking for the road to progress and dignity but have to face dangerous contention from fundamentalists and terrorists. How can we help them in their fight? The United States, maladroit for lack of counsel or counterweight, hesitates, and either uses its immense power to serve its own interests or to galvanise rules of the game that are common to humanity at large, although these rules, since they

also apply to the US, may counter immediate, sometimes very strong domestic interests.

These problems, which condition our immediate future, our safety, our environment, our jobs and those of our children are of far greater urgency than our problems of fiscal harmonisation or even Union enlargement. The price is highest here, where Europe is absent. Acceptable world-wide governance can only be achieved if the United States has a counterbalancing power, an amicable one, one of equal stature. But no single nation can be such a power. No nation alone would want to. Much too weighty and much too dangerous.

Hence it is still urgent for Europe to build itself as a coherent whole, also in the field of diplomacy and defence.

This being the case, the EU member states must chose whether to tighten their association and adopt the reforms needed to strengthen integration and promote the European social model or run the risk of having the European plan for political unity lose all force and fade out of existence, crushed by the growing weight of globalisation and the centrifugal force of enlargement.

As socialists faced with the globalisation of markets and cultures, we must bring out the need to protect and develop certain “European” cultures and values, a European lifestyle and social model. We are trying to rediscover and restore the delicate balance that should exist between individual freedom and collective responsibility, between economic efficiency and universal justice.

There are at least **two reasons for alarm.**

First of all there are **political reasons and rapidly changing practices.** We run the risk of seeing synergy dissolve, and positions fall apart in a weakened European political framework, and drifting into intergovernmentalism.

Second, strategic motives for medium- and long-term evolution. Everyone agrees that enlargement will change the nature of the European Union. We need to discuss the ultimate goals of the EU, the most adequate methods and instruments to cope with tasks of the future. Positive debate on the future of the EU has been revived during the last six months.

Worrying about the results obtained in Nice can be explained by looking at the **gap between the**

breadth of current projects, as the Council sees them, and the magnitude of the challenges to come.

What is the right strategy for such a context?

Some people would rely on a crisis. We do not agree. Crises are useful when there are solutions that are blocked by certain obstacles. In that situation, removing the obstacles will allow the solution to work. This does not seem to be the case in Europe nowadays. There are reasons to believe that a crisis would not produce the desired catharsis, but rather the opposite, *viz.* another difficult-to-overcome set-back for certain governments, a handicap to the integration process, a renationalisation of discourse and policies, a step ahead for intergovernmentalism, and a gradual whittling away of Community equilibrium. The solution will require ratification of the Treaty of Nice in order to state the conditions we want for the future and for the debate in 2004. This means joining forces to enter a new step in European political construction, as we need to alter the present situation and reenergise integration.

We cannot wait until 2004 to launch an initiative that can go beyond the limited, disappointing results of the Nice European Council. The socialists must be the promoters of a new Convention on principles and objectives for the future political construction of Europe, on the introduction of a constitutional process stemming from the reorganisation of the Treaties, on a clearer apportionment of responsibility between the three main EU institutions, without disregarding the equilibrium that needs to be reconstructed between intergovernmental cooperation and the Community method. Experience with the Convention used to formulate the Charter of Fundamental Rights demonstrated the value of this method and the possibility of reaching tangible results by bringing together the national parliaments, the European civil society and the social forces, and in so doing, enlisting European public opinion to construct European political unity.

Europe cannot be constructed without its people, and European democracy cannot spread without the participation of Europe's citizens.

But for the time being, the European process sorely lacks information, participation, and democracy. The last European elections (13 June 1999) were significant and worrisome: high abstention rates, and campaigns that were national rather than European. The elections illustrated

the gap that had been created between public opinion and European institutions. Voters feel that their influence over EU decisions is very weak. This explains their low participation rate and their attachment to national politics. Without a substantive debate on the political orientations of Europe, elections will be seen as an outlet for finding support or sanction for national governments. Furthermore, public opinion seems to be questioning the democratic credibility of — and losing confidence in — the Community institutions¹.

People see the European Union as something complex, distant, and unintelligible. They feel that the language used in Brussels is hardly understandable. This situation has serious political consequences and should be combatted.

The results of the Nice meeting can only be accepted on the basis described above. We are determined to promote a far-reaching political initiative within the Party of European socialists, the European Parliament and the national parliaments, and, more generally within the civil society so as to give rise to a **“new federalism”**.

For us, “new federalism” should make it possible to assimilate the new context surrounding the federalist challenge: the new dimension of the European Union, the globalisation process, the new geopolitical perspectives of Europe, the tendency for nation-states to decentralise. (The latter gives a new dimension to the principle of subsidiarity).

As Jacques Delors pointed out, in the European Union, “the taboo of federalism is fading away”. European federalism should be described on the basis of its new contents and objectives.

For us, one of the objectives of **“new federalism”** is to form a **Federation of States and People** (which some people call the “Federation of Nation-States”²) **that will participate in the construction of the European Political Union.**

It is based on maximum decentralisation in decision-making in order to give full meaning to the principle of subsidiarity, thus including the regions, territories and organisations of the civil society

¹ *The fact that the Parliament is the only institution with direct democratic legitimacy undoubtedly explains why people have the most confidence in it: 52% as against 45% in the Commission and 38% in the Council. (European Commission, Eurobarometer, Report no.53, October 2000).*

² *A linguistic detour is needed because it is difficult to precisely translate certain notions into our languages and cultures.*

in the construction of Europe. In the new European federalism, Europe is always close to its people.

With this in mind, the first objective is to make the EU institutions, their decision-making processes, and their relations with the member states and the EU population **more transparent and understandable** to the public. **The main questions are: what do we want to do together and who should do what?**

II – From this vantage point, what are the main objectives of the new federalists?

One.

Treaties should be reorganised and simplified, in accordance with the “constitutional process”. The EU objectives should be defined, soundly asserting the underlying values, rights, and responsibilities and clearly describing its institutional construct.

As of right now, we have seven treaties, - actually eight, counting the Treaty of Nice, - with hundreds of poorly organised articles. This is the outcome of an accumulation process that has been ongoing for the last half century during which we have been constructing Europe. There is an inextricable clod of norms and standards that together form an incoherent mass that becomes increasingly less palatable and understandable as time goes by.

This is why radical simplification is so urgently needed.

With this in mind, the Commission approved a report it had commissioned from the **University Institute of Florence** on the legal viability of treaties in a reorganised form. The Institute produced a draft **“Fundamental Treaty for the European Union”** using “constant law”, in other words, without changing the present judicial and institutional situation, it logically grouped all provisions relating to the institutional and functional framework of the European Union and all the political objectives into less than one hundred articles.

We are in favour of efforts at simplification and clarity of this type, and **we demand that the Charter of Fundamental Rights be included in the Treaty in order to guarantee the legally inalienable and constitutive character of the Union.**

Two.

A “constitutional process” should be launched, underpinned by a reorganisation of the treaties.

Stemming from the four points mentioned in Annex IV of the Treaty of Nice, the debate on the preparation of a constitution is open. Excessive constitutionalism would involve a two-pronged risk considering the present power play: going astray from the present European process by replacing realism by radical theory (au nom d'un comportement de témoignage) which is no doubt substantive but nonetheless marginal, or, on the contrary, using it as an alibi for people who see the future “constitution” as an instrument to irreversibly galvanise minimalism and intergovernmentalism. **The European Parliament**, by a vote of 395 for, 105 against and 42 abstentions, **recently approved the development of a veritable “constitutional” process**. A clear majority of EU public opinion is in favour of such a constitution¹.

We need a well-balanced point of view. This means pleading in favour of a “constitutional process” based on simplification and the reorganisation of treaties, and on a method that integrates the positive experience of the Convention that drafted the Charter of Fundamental Rights.

Seen from this angle, a constitutional debate will only make sense:

1. **if it enables Europe to take an additional step on the road to integration**, in order to cope with impending challenges. (Without legal change, it is not worth so much attention);
2. if it makes it possible to **check the support of peoples from different EU member states** for the continuation of the European construction as will be proposed.

Whatever be the case, it is vitally important to launch a debate on the future of the Union, both as concerns the contents of a “European constitution” and the methods for preparing it, the final goals and the downstream policies.

Three.

Simplification of Community procedures (especially legislative procedures relating to the functioning of the Council, the Commission and relations between the Union and its member states).

¹ 70% for, 6% against (European Commission, Eurobarometer, Report no. 53, Brussels, October 2000).

An innovative Community perspective implies two forceful ideas related to the outlook of the “founding fathers”, a perspective that should strengthen European government and “governance” as suggested by the present reform-minded Commission. The present situation requires the following twofold perspective: more European political government just at a time when a slow, inductive, unvoiced action, specific to the functionalism of the founding fathers, is no longer timely, and **more efficiency in the European administration.**

Four.

Greater personalisation at the EU

In 1998, the “Notre Europe” foundation suggested moving the European debate onto more political grounds by predicating the composition of the European Commission on the results of the European elections. This idea, and other initiatives should be continued and encouraged; here, the role of the European Socialist Party is very important. This proposal should be put forth at the next European elections in 2004. At that time, the **European socialist list** should be out, even if only partially (and candidates should be included in lists of other European countries).

In time, the most probable hypothesis is one that links this proposal on Commission presidency to the inevitable reform on the mode of selecting or electing a Council president. (In a Union that has 30 members, each state will have to wait **fifteen years** before becoming Council president for six months.) We might suggest, - following the suggestion from the French *Commissariat général du Plan* in the report by Jean-Louis Quermonne, - that there be an organisational plan that includes a **President** (for the Council) and a **Prime Minister** (for the Commission). This would seem well adapted to the government-strengthening changes occurring in the Community method. Such a proposal subsumes building strong synergy between the Council and the Commission.

The experience of “Mr. CSFP-Secretary General of the Council”, who the European Parliament would like to attach to the Commission, pleads in favour of a change of this sort. Especially since a vital component in strengthening European leadership lies in **external policy** and **defence**. When establishing the new Community balance, the duality in this field between the Council and the Commission should be solved not only by seeking maximum efficacy but also by imparting maximum authority to whoever is in charge.

Five.

In Europe, especially in the socialist and social democratic family, proposals for new federalism should be made stronger. We need more democratic participation by the European citizen, clear demarcation of fields of authority, more subsidiarity, and more political accountability in decision-taking.

The new federalism should have the modern expertise of a good government based on the following criteria: efficiency, optimal use of public resources, a search for greater proximity.

With this in mind, the **new European federalism seeks to bring Europe close to its people** (Europe de la proximité), or if we want to use a more precise but stronger term, **subsidiarity**. From this vantage point, the role of the civil society and the territorial entities is very important. We need to look at the application of subsidiarity - as a basic concept for the federated development of the European Union - with an *a priori* favourable inclination at the lower echelons of government, recognising that “decisions should only be taken at a higher level if they cannot be efficiently handled at a lower level; the higher level should not take all the decisions just because it can”.

That is why the debate on the final goal will have to be a debate on concrete cases that are very important to the people. The citizen can agree to having these issues settled at the Community level, which logically entails transferring sovereignty.

The fields for which we feel decisions need to be taken urgently by the qualified majority, supported by a codecision of the European Parliament, concern: food safety, agriculture, EDF, civil society, external relations, the fight against crime. We want to avoid a technocratic debate and hear opinions on content.

Six.

Need to develop a “European public space” and a “European civil society”

After Nice, the question of the status of European parties seems to have been well launched. Yet we need to continue building a *bona fide* “European public space” and also start discussing the status of social dialogue, associations, Europe-wide entities and NGOs, in order to protect and stimulate real

development, and avoid the risk of fake parasitic associations.

A European civil society is being born but at this stage, its character, composition and mode of functioning are not yet clear. In this vein, the process used to draw up the Charter of Fundamental Rights was a significant experience, especially considering the role played by the unions (in particular the European Trade Union Confederation) and the European NGOs devoted to social issues.

This emerging European civil society needs guarantees and support as it finds its way in a Europe dominated by the logic of self-regulating markets and by political and institutional systems that leave no room for citizens or associations to participate other than through lobbying, advocacy, or formal representation.

One of the priority objectives for European socialism should be to strengthen the European political space, create a European society, and develop a European identity.

Seven.

We need to staunchly favour a European government in order to promote the “European social model”

After Nice, the first experiment in intensified cooperation, — with, as its corollary, generalisation of the qualified majority and codecisions for all decisions (except if constitutional in nature) — should be implemented by the states in the eurogroup, and the main aim should be to support employment, combat poverty and exclusion, and defend the European social model.

It is not only a question of overcoming the imbalance between a federal structure such as the ECB and the absence of effective coordination among the socio-economic policies in the euro zone. The brief is to develop a united strategy based on the application of the Charter in all the EU countries and designed to ensure coordination among the nation states as concerns economic and social policies, employment, research and training policies, tax policies and relations with non-European EU partners at the world-wide level, gradually overcoming the bottlenecks which appeared in Nice concerning the adoption of decisions by a qualified majority and codecision. **This process can only move ahead if cooperation is enhanced in the euro zone** so that the states can absorb all the

necessary decisions coherently, efficiently and in due time, with stimulation from the Commission which would, thus, gain full recognition for its role in making proposals and promotion and not only in implementation.

This process, moreover, can be developed through experiences in forthright cooperation (coopération ouverte) that the Commission should promote and stimulate, first and foremost in research and lifelong training, as was indicated in the European Council at Lisbon.

Eight.

The European lexicon needs to be seriously simplified

The problem of European terminology is not to be underestimated. The vast majority of Europeans do not know the European institutions, nor what they do.

In the present state of affairs, this misunderstanding is understandable and logical! There is a problem of terminology. It is difficult to know and comprehend how the European institutions, even the European Parliament work.

Look at the names of the European institutions, or their methods and programmes. The terms that are used are often ununderstandable. Instead of providing clear identity and explanation, the institutions introduce elements that create confusion about their character and veritable role. This produces reactions marked by misunderstanding and even rejection. What European citizen can be expected to know the meaning of **DG 7**, or **COREPER**, or the **second pillar** or **opting out**, or to distinguish between the **European Council**, the **Council of Europe** and the **Council of the European Union**? It will take a revolution to change the European lexicon, to make it more simple, transparent and democratic, to give each element of the European Union a natural, logical, user-friendly name.

A few proposals:

1. The European Commission should become the **EU Government** or else the **EU Executive**, and,
 - the President of the Commission should be called the **EU Prime Minister**,
 - the commissioners should be called **EU Ministers**.
 - DG 11, for instance, could become the **EU Department of Environment**.
2. The European Council should become the **Council of Heads of State and National**

Governments.

3. The President of the Council should be called the EU President.

This change in terminology could take hold through practice, even before amending the treaties. Remember that, for example, the European Parliament, which has been called by this name for 20 years, was officially known as the “European Parliamentary Assembly” in the treaties.

Conclusion

We hope that at our party’s next congress, our political family will be able to seriously debate this matter and contribute to the preparation of the European Councils of Göteborg and Laeken. This paper just provides an initial set of suggestions that are to be submitted for discussion; others may be forthcoming.

On the other hand, there can be no doubt that Europe is at a crossroad as concerns its ultimate aims, its identity, and its decision-making mechanisms.

If the Community institutions have sufficient legitimacy and a clear, strong mandate, we can hope to overcome the crisis. Intergovernmental negotiations are no longer enough.

The time has come to call on European public opinion. If provided with vigorous proposals, European public opinion, and it alone, will be able to make clear choices and impose (a) a coherent vision of the role of Europe in the world, (b) active EU participation in world governance, (c) a common social and tax policy, (d) a leading role for the Union in the fight against pollution and climatic risk, and (e) enlargement negotiations carried out at the same time as necessary domestic reforms, all driven by a genuine, efficient government of Europe, whatever be its name.

Again, it will be pressure from the citizens of Europe that will make it possible to launch the necessary political process (avoiding the benumbing procedure of the Intergovernmental Conference) and impose a convention capable of preparing a constituent treaty.

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