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DRAFT REPORT

on State of the debate on the Future of Europe
(2018/2094(INI))

Committee on Constitutional Affairs

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on State of the debate on the Future of Europe (2018/2094(INI))

The European Parliament,

- having regard to the Treaty of Lisbon, amending the Treaty on European Union and the Treaty establishing the European Community and signed on 13 December 2007,
- having regard to the Charter of Fundamental Rights of the European Union,
- having regard to Article 295 of the Treaty on the Functioning of the European Union (TFEU),
- having regard to the informal meeting of 27 heads of state or government of 29 June 2016,
- having regard to the Bratislava Declaration and Roadmap of 27 Member States of 16 September 2016,
- having regard to its resolution of 19 January 2017 on a European Pillar of Social Rights¹,
- having regard to its resolution of 16 February 2017 on improving the functioning of the European Union building on the potential of the Lisbon Treaty²,
- having regard to its resolution of 16 February 2017 on possible evolutions of and adjustments to the current institutional set-up of the European Union³,
- having regard to its resolution of 16 February 2017 on budgetary capacity for the euro area⁴,
- having regard to its resolution of 16 March 2017 on constitutional, legal and institutional implications of a common security and defence policy: possibilities offered by the Lisbon Treaty⁵,
- having regard to the Commission white paper of 1 March 2017 and the five subsequent reflection papers (COM(2017)2025, COM(2017)0206, COM(2017)0240, COM(2017)0291, COM(2017)0315, COM(2017)0358),
- having regard to the Rome Declaration of 25 March 2017,
- having regard to the UK notification of 29 March 2017 of its intention to leave the European Union,

¹ OJ C 242, 10.7.2018, p. 24.

² OJ C 252, 18.7.2018, p. 215.

³ OJ C 252, 18.7.2018, p. 201.

⁴ OJ C 252, 18.7.2018, p. 235.

⁵ OJ C 263, 25.7.2018, p. 125.

- having regard to the resolution of the European Economic and Social Committee on the Commission’s White Paper on the Future of Europe and beyond of 6 July 2017¹,
- having regard to the resolution of the Committee of the Regions on the Commission’s White Paper on the Future of Europe – Reflections and scenarios for the EU-27 by 2025 of 12 May 2017²,
- having regard to the various contributions from national parliaments on the Commission’s white paper and reflection papers on the future of Europe,
- having regard to the 2017 State of the European Union address of 13 September 2017 by Commission President Jean-Claude Juncker and his roadmap for a more united, stronger and more democratic union of 24 October 2017 (COM(2017)0650),
- having regard to the Sorbonne Speech of French President Emmanuel Macron of 26 September 2017, entitled ‘Initiative for Europe: A sovereign, united democratic Europe’,
- having regard to the informal summit in Tallin of EU heads of state or government of 29 September 2017,
- having regard to the Leaders’ Agenda adopted at the European Council of 19-20 October 2017,
- having regard to the Interinstitutional Proclamation on the European Pillar of Social Rights of 17 November 2017 of the Council, Parliament and the Commission,
- having regard to the Commission’s roadmap for deepening Europe’s Economic and Monetary Union (EMU) of 6 December 2017 (COM(2017)0821) and in particular the proposal to establish a European Monetary Fund (EMF) (COM(2017)0827), the proposal to integrate the substance of the Treaty on Stability, Coordination and Governance into the Union legal framework (COM(2017)0824) and the communication on a European Minister of Economy and Finance (COM(2017)0823),
- having regard to the European Council meeting of 14-15 December, and to the Leaders’ meeting and Euro summit meetings taking place in the margins thereof,
- having regard to the letter of 26 national parliaments from 20 Member States of 20 December 2017 on the transparency of decision-making in Council,
- having regard to the declaration of 10 January 2018 adopted at the Summit of the Southern European Union Countries (Cyprus, France, Greece, Malta, Portugal and Spain), entitled ‘Bringing the EU forward in 2018’,
- having regard to the Commission communication of 13 February 2018 entitled ‘A Europe that delivers: Institutional options for making the European Union’s work more efficient’ (COM(2018)0095),

¹ OJ C 345, 13.10.2017, p. 11.

² OJ C 306, 15.9.2017, p. 1.

- having regard to Commission Recommendation (EU) 2018/234 of 14 February 2018 on enhancing the European nature and efficient conduct of the 2019 elections to the European Parliament¹,
 - having regard to the informal meeting of the 27 heads of state or government of 23 February 2018,
 - having regard to its resolution of 1 March 2018 on the situation of fundamental rights in the EU in 2016²,
 - having regard to its resolution of 19 April 2018 on the implementation of the Treaty provisions concerning national parliaments³,
 - having regard to the Commission proposal for a Council regulation laying down the multiannual financial framework for the years 2021 to 2027 of 2 May 2018 (COM(2018)0322),
 - having regard to the Commission proposal for a Council decision on the system of Own Resources of the European Union of 2 May 2018 (COM(2018)0325),
 - having regard to the EU-Western Balkans Summit of 17 May 2018,
 - having regard to the Special Report of the European Ombudsman in strategic inquiry OI/2/2017/TE on the transparency of the Council legislative process of 16 May 2018,
 - having regard to the Meseberg Declaration of 19 June 2018,
 - having regard to the European Council meeting of 28-29 June 2018,
 - having regard to the Future of Europe debates with heads of state or government, hosted by the European Parliament,
 - having regard to Rule 52 of its Rules of Procedure,
 - having regard to the report of the Committee on Constitutional Affairs and the opinions of the Committee on Economic and Monetary Affairs and the Committee on Budgetary Control (A8-0000/2018),
- A. whereas the European Union is an example of supranational integration without equal and has brought lasting peace, prosperity and welfare to its peoples;
- B. whereas over the past few years the Union has faced multiple crises which have tested its resilience and capacity to act in a decisive and united manner;
- C. whereas although Europe has managed to overcome the most critical moments of the economic crisis, important and urgent reforms still lie ahead in the area of economic governance in general and in the euro area in particular, as well as in terms of recovery

¹ OJ L 45, 17.2.2018, p. 40.

² Texts adopted, P8_TA(2018)0056.

³ Texts adopted, P8_TA(2018)0189.

of the social standards of our welfare state;

- D. whereas in view of the multiple current and future challenges facing the Union in a hostile global world, in particular those concerning migration, terrorism, security, completing the EMU, globalisation, climate change, international trade, foreign affairs and defence, the development of the social pillar, and the fight against anti-EU populism, the objective enshrined in the Lisbon Treaty of creating an ever closer union among the peoples of Europe should continue to inspire the actions taken by the Union; whereas these clear challenges can only be addressed if tackled together;
- E. whereas the referendum in the UK of June 2016 leading to the UK's announcement on 29 March 2017 of its intention to leave the European Union has intensified the debate on the future of the Union; whereas this is reflected, besides in Parliament's own resolutions on the future of Europe of 16 February 2017, in the Bratislava Declaration and Roadmap, the Commission White Paper on the Future of Europe, the Rome Declaration, the Leaders' Agenda adopted by the European Council in October 2017, and various contributions by individual Member States or groups of them;
- F. whereas the latest Eurobarometer survey, conducted between 17 and 28 March 2018, shows that a majority of Europeans have a positive image of the EU (40 %) and that this proportion continues to exceed that of those who have a neutral image of the EU (37 %); whereas just above a fifth of Europeans have a negative image of the EU (21 %);
- G. whereas the upcoming elections to the European Parliament present an opportunity to take stock of the debate on the future of Europe, also in view of the principal institutional priorities of the three institutions for the new term;
- H. whereas the EU is facing a particularly important period in its construction process, given the nature and dimension of its challenges, and whereas these can only be solved by working together and through greater and better integration;
- I. whereas institutional reforms should aim at making decision-making processes more democratic, enhancing the transparency of decision-making and the accountability of the Union; whereas, in view of these aims, it is an opportune time to organise consultations and dialogue with citizens;
- J. whereas the Meseberg Declaration proposes putting in place transnational lists for the European elections as of 2024;
 - 1. Recalls that Parliament's resolutions on the future of Europe of 16 February 2017 emphasised the importance of the single institutional framework and the Community method and suggested several proposals and initiatives of particular importance for European integration that can contribute to building Europe's future;
 - 2. Underlines that the Union must tackle the challenges of its future with greater and better political integration, with full respect for fundamental and democratic values, and by working together; agrees with the heads of state and government who addressed Parliament in plenary during the debates on the future of Europe that citizens want a Europe that protects their rights and their social model on the basis of shared

sovereignty, and that the problems we face in Europe can only be solved together;

3. Reiterates its belief that differentiated integration must remain open to all Member States and continue to act as an example of deeper European integration, not as a way to facilitate *à la carte* solutions;
4. Stresses that the crisis has produced an imbalance between the main institutions of the Union, and that the Council, and in particular the European Council, is exercising its own political initiative to the detriment of the Commission's right of initiative;
5. Reiterates that the unanimity, which the Treaties require in some fundamental matters, is an almost insurmountable obstacle in important moments and decisions, and advocates therefore, with regard to decision-making procedures, the principle of qualified majority voting (QMV) in Council and the use of the ordinary legislative procedure; recalls that under the current Treaties this can be achieved by using the various *passerelle* clauses or, in the case of enhanced cooperation, by using Article 333 TFEU;
6. Welcomes in this regard the announcement by President Juncker in his State of the Union address of 13 September 2017 of the intention to propose using QMV in the Council for matters such as the common consolidated corporate tax base (CCTB), VAT and taxation of the digital economy, but regrets that the MFF regulation is not among the subjects listed;
7. Welcomes in particular the fact that the Commission and some Member States are also contemplating using QMV for the common foreign and security policy, given the importance of speeding up decision-making and making it more effective, and the need for the Union to speak with one voice;
8. Reiterates its suggestion to transform the Council into a true legislative chamber and to improve the transparency of its decision-making process; points in this context to the special report by the Ombudsman on the transparency of the Council's legislative process and the initiative of a majority of national parliaments calling for more transparency from the Council and informal bodies such as the Eurogroup, in line with similar requests made by Parliament in this respect;
9. Takes note of the report of the Task Force on Subsidiarity, Proportionality and 'Doing Less More Efficiently' of 10 July 2018, presenting recommendations on a new way of working;
10. Welcomes the joint proclamation endorsing the European Pillar of Social Rights; points out that the competences and tools required to deliver on the pillar are mainly in the hands of local, regional and national authorities, as well as social partners and civil society, while progress in its implementation should receive particular attention within the economic policy coordination of the European Semester; recalls in this context that social dialogue has proven to be an indispensable instrument to improve EU policy- and law-making;
11. Recalls its own proposals and welcomes those made by the Commission and some Member States for better governance of the EMU and for a stronger and more

democratic institutional architecture, but regrets the slow pace of adoption and implementation of its proposals, as well as the disappointing results of the last European Council summit of 28-29 June 2018 in this regard;

12. Calls for the governance institutions of the EMU to be designed in such a way to take full account of the need for democratic support of its decisions by Parliament and its relationship with national parliaments, in order to provide the economic and financial governance for the euro area with the maximum social and democratic legitimacy;
13. Welcomes the convergence of positions taken by France and Germany on the idea of a budgetary capacity for the euro area; reiterates its view that this capacity should be developed within the EU framework;
14. Welcomes the Commission communication on a European Minister of Economy and Finance; points out that merging the positions of Commission Vice-President for Economic Affairs and Chair of the Eurogroup could improve parliamentary accountability at European level;
15. Welcomes the Commission proposal on own resources introducing new real own resources, as requested by Parliament; express concern at the Commission proposal for the multiannual financial framework (MFF) for 2021-2027, and regrets the positions taken by some Member States that refuse to provide more resources to the EU, despite unanimous recognition of the need to face new challenges and responsibilities, and therefore the need for more financial resources;
16. Regrets that, to date, there has been no practical follow-up neither to its call for a convergence code – to be adopted by codecision – in order to have a more effective framework for economic policy coordination, nor to its call for an interinstitutional agreement (IIA) to be concluded to give Parliament a more substantial role in the European Semester; recalls in this context its suggestion that budgetary calendars at national and European level need to be better coordinated throughout the process in order to better involve both the European Parliament and national parliaments in the European Semester;
17. Welcomes the Council decision establishing permanent structured cooperation (PESCO), the Coordinated Annual Review on Defence (CARD) and the European Defence Fund (EDF) as important steps towards a common defence policy, and notes proposals by certain Member States for an EU Security Council and a European Intervention Initiative; recalls its call for the establishment of a permanent Council of Defence Ministers chaired by the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy (VP/HR), and underlines the importance of appropriate democratic accountability of decisions taken in this area and the need for reinforced cooperation between the European Parliament and national parliaments in this regard;
18. Deplores the absence of agreement among the Member States on the priorities and implementation of an EU-level comprehensive immigration policy, which would make it possible to organise and regulate migratory flows, control our external borders more effectively, cooperate with countries of origin and transit, and guarantee respect for the fundamental rights of migrants and asylum seekers, among other objectives; underlines

that the obvious contradictions in interests exposed by Member States need to be overcome in order not to jeopardise the European integration project;

19. Underlines its determination to continue with the *Spitzenkandidaten* process for the election of the next Commission President, and welcomes the support of the Commission and certain Member States in this respect; underlines that it will reject any candidate in the investiture procedure of the Commission President who was not appointed as a *Spitzenkandidat* in the run-up to European Parliament elections and who does not have a sufficient parliamentary majority; considers it essential to strengthen the social legitimacy of the European elections and the supranational role of the European Parliament as an exponent of European citizenship and European sovereignty;
20. Regrets the frequent and widespread temptation to attribute unpopular decisions to Brussels and to free national authorities of their responsibilities and politics, given that this unjust and opportunistic attitude damages Europe, promotes anti-European nationalism and discredits the EU institutions;
21. Underlines the need to strengthen the European public sphere as a supranational area of European democracy; stresses that the major challenges Europe is facing must be addressed and discussed from a European perspective and not from a national perspective; points out that, for this reason, European democracy needs a European identity, a genuinely European demos, more European institutional education and a deliberative, more participatory and less national social framework;
22. Welcomes the approach taken to the current negotiations on the United Kingdom's orderly withdrawal from the European Union, and underlines the remarkable unity displayed by the EU institutions and Member States; notes that experience in the negotiations to date has shown the enormous complexities of such decisions;
23. Underlines once more that neither national sovereignty nor subsidiarity can justify or legitimise the systematic refusal on the part of a Member State to comply with the fundamental values of the European Union which inspired the introductory articles of the European Treaties, which every Member State has willingly endorsed and committed to respect; underlines furthermore that upholding these values is fundamental for the cohesion of the European project, the rights of all Europeans and the mutual trust needed among the Member States; recalls its recommendation to establish a European mechanism for democracy, the rule of law and fundamental rights;
24. Reiterates that the process of reflection on the future of Europe and on a review of the Lisbon Treaty should eventually lead to a Convention being convened – guaranteeing inclusiveness through its composition of representatives and providing a platform for reflection and engagement with stakeholders and citizens – with a view to discussing and drawing conclusions from the various contributions to the reflection process on the future of Europe by the institutions and other bodies of the Union and the proposals put forward by heads of state or government, national parliaments and civil society and in citizen consultations;
25. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

The Rome Declaration of 2017 wound up the political reflection process that had been launched in Bratislava on 16 September 2016 in the wake of the UK referendum. The aim was to establish a joint approach and draw up an action plan for the years ahead. The Member States undertook to make efforts to achieve:

- a safe and secure Europe with freedom of movement for all citizens, protected external borders and an effective migration policy;
- a prosperous and sustainable Europe, which promotes sustained and sustainable growth and has a strong single market;
- a social Europe, which combats unemployment, discrimination, social exclusion and poverty;
- a stronger Europe on the global scene, which develops existing partnerships and builds new ones, and which is committed to strengthening its common security and defence.

There is a lot going on in the world, with developments occurring thick and fast on every level. We are affected by everything that happens, because the world is so connected and is becoming increasingly interdependent. Europe therefore finds itself facing new challenges that are forcing us to take decisions within an institutional system that does not function efficiently or quickly enough, and is unable to cope with the sheer scope and scale of the issues at stake. Many of the serious problems we have faced in recent years are only in the process of being addressed: they have not been solved. Migration is one such issue, and a new policy is required. The euro crisis has underlined the pressing issues surrounding the governance of the currency. In the wake of the economic crisis, a greater degree of convergence and new policies are the order of the day. The tough negotiations on Brexit have yet to begin. And new challenges are appearing, too, in the shape of protectionism and the possibility of trade wars; international policy and defence against a backdrop of multipolar disorder; security in the face of what could be a long-term terrorist threat; protecting our data and our democracies against manipulation and cyber-attacks; and so on.

Many of the challenges we are facing are global ones, and solving them will require action at supranational level, including within existing international organisations. Addressing the issue of climate change is perhaps the best example of the required level of international cooperation, despite the USA's extremely disappointing withdrawal from the Paris Agreement. Issues such as migration, cyber-security, international trade, humanitarian crises, pandemics, human rights, development cooperation, combating tax evasion and tax havens, etc. cannot be addressed by one country on its own. Nor can they be addressed by Europe acting alone. That is why there is a large political majority in Europe calling on us to continue working together to do the things that we are currently doing well, and to take action together to address the major problems we are facing as Europeans.

A number of political leaders have suggested that we should 'rethink Europe'. Pro-Europeans are constantly calling for improvements to be made to our institutional system in the face of uncertainty and insecurity on a host of fronts. 'A Europe that protects' is one of the slogans that has been used to urge Europe to recover its sense of self and its social function by providing protection to ensure personal and collective security. 'Deciding for ourselves',

rather than being dictated to by events or by others, is another rallying cry employed by pro-Europeans, focusing on European sovereignty in a global context, in the face of the digital revolution, energy challenges, the democratic crisis, the social model, international multilateralism and shifting geopolitical balance.

One of our major debates is of course that of The Nation versus Europe, pitting our national realities against supranational integration as if the two were mutually incompatible. It is a debate that encompasses a number of technical aspects (subsidiarity, proportionality, the distribution of powers, etc.), but in recent years it has gone further than that. A new form of often openly anti-European nationalism has emerged, hailing the nation-state as the only context for democracy, thereby rejecting the achievements of the European project as well as European democracy itself. We must find a balance in the way we use our respective powers, ensuring that the EU's powers extend no further than its remit. But we also need to ensure that Europe is able to do its job without being paralysed by intergovernmentalism.

We must strengthen the European movement by building a European demos that has to be promoted via politics, education and culture. We have to prevent European divisions from weakening our Union, leaving our citizens at the mercy of nationalist populism that destroys rights and freedoms. We have to remember that Europe is made up of a host of different identities and peoples, and that its history has a huge influence on people's feelings. It would be suicide to stir those up, or pit them against each other.

Migration has taken centre stage in the debate about Europe. Our moral principles are being tested by events in the Mediterranean. Our foreign policy is proving to be extremely weak in the face of situations involving serious conflict, such as that in the Middle East. We are unable to control our external borders effectively, and there has been a flagrant failure to comply with EU decisions on the distribution of immigration quotas. Worse still, perhaps, is the fact that anti-immigration, xenophobic sentiment is being stirred up in many of our societies – sentiments that are being skilfully manipulated and used by the extreme right and anti-European populists. It is therefore absolutely vital that urgent action be taken to fix Europe's migration policy. It is one of Europe's greatest challenges, not only in terms of demography, but also, and more importantly, in the interests of consistency with the principles and values on which our Union is founded (Article 2 of the Treaty).

The economic and financial crisis and the way it was dealt with via the EMU taught us a great deal. It also highlighted the many shortcomings inherent in the way the institutions operate, and not only where monetary and economic policy is concerned. Various reports drawn up by the European Parliament have shown that: in recent years the majority of political and economic decision-making has taken place within the European Council, to the detriment of the other institutions; the democratic basis of many decisions has been undermined by the influence that unrepresentative technical bodies have had on them; the institutional framework on which the governance of the euro area is based is insufficient and major changes are required; the unanimity required under the Treaties is an almost insurmountable obstacle when important decisions need to be taken; improvements need to be made to the EU's foreign and security policy in the areas of decision-making and resources, and the way in which the EU is represented internationally needs to be unified, and so on. Generally speaking, the reports in question propose major reforms in the way in which the Commission, Parliament and the Council operate as institutions with a view to increasing transparency and making EU decision-making more effective and efficient.

Many of the reforms and decisions that we need to make with an eye to the future require deeper political integration at European level, particularly in the field of economic and monetary governance. It is the only democratically legitimate way to proceed.

Treaty change may ultimately be the best way of bringing about that integration, but it would be inadvisable at the present time. It would be a decision to consider and take, if necessary, during the next parliamentary term. In the short term, however, a whole host of reforms can and must be introduced without amending the Treaties, as pointed out in the European Parliament resolution of 16 February 2017 on budgetary capacity for the euro area. Enhanced cooperation will continue to be a useful tool, for example in the area of defence. A multi-speed Europe does not have to be an *à la carte* Europe, however.

Political integration will also require us to improve the relationship between the people of Europe and its institutions. There is a weak sense of supranational political identity among the general public in the EU. There is no confidence in the relationship, and there is very little connection between the will of the people as expressed in the elections and the EU's policy guidelines. President Juncker, European federalists, prime ministers and, of course, the European Parliament have made suggestions and held discussions on how to improve the relationship between Europe's citizens and the European institutions, and how to bring the way that the Commission and Parliament work more into line with the rules that govern parliamentary systems at national level. With that in mind, a host of issues need to be addressed with a view to stepping up political transparency and improving relations with Europe's citizens. Those issues include Parliament's suggestions for the reform of the European electoral law, the *Spitzenkandidaten* system, strengthening European political parties, the parliamentary majorities required to support Commission action, the European Parliament's powers of scrutiny, relations with national parliaments, and so on.

The debate on the future of Europe has been a regular feature of this parliamentary term – increasingly so as the term draws to a close. The institutions, as well as European researchers and experts, have made a number of contributions based on the five scenarios drawn up by the Commission in the first half of 2017. The contributions to the debate made by Member State presidents and prime ministers have been particularly noteworthy. The European Parliament invited them to come and express their views on the future of Europe throughout 2018.

The aim of this report is to summarise the issues for debate on the future of Europe, and to provide guidance and clarification on the various directions that European integration can take in the run-up to the elections in 2019. The purpose of this report is not, therefore, to decide upon the various alternatives, but to define the problems, describe the challenges and set out the options that European politics and the new MEPs elected during the forthcoming elections will have to address.

Neither does this report seek to develop the techniques and legislative reforms that are available in order to move forward with integration. Parliament has already done much to accomplish that task by adopting the following resolutions:

- European Parliament resolution of 16 February 2017 on possible evolutions of and adjustments to the current institutional set-up of the European Union
- European Parliament resolution of 16 February 2017 on improving the functioning of the European Union building on the potential of the Lisbon Treaty

- European Parliament resolution of 16 February 2017 on budgetary capacity for the euro area

Those reports, along with others cited in the recitals, are tools to help form the basis for the reforms and progress required in order to ensure that Europe is able to take on the governance challenges it faces in the coming years.

A crucial political debate, culminating in the elections in May 2019, is just beginning, and with that in mind, the aim of this report is to provide an update, as 2018 draws to a close, on what the major issues for Europe are, on what the challenges are, and on the tools we can use to address them. No solutions are established here, out of respect for the institutions that will take shape on the basis of the election results, and because it is for those who are elected to take the decisions. This report simply seeks to establish a European political agenda based on the many messages we are hearing time and again at the moment, and on the various reports, statements and proposals brought forward by the European institutions and by the leaders of the Member States in recent months, the aim of all of which is to make Europe into a force to be reckoned with where geopolitics, trade, the climate, economics, food and diplomacy are concerned.