At a glance

June 2017



Mapping the 'Future of the EU' debate

Although calls for reform of the EU have increased in recent years, in particular as a consequence of the various challenges the EU has faced, the UK's vote in June 2016 on its EU membership has accelerated this process. In this context, the main EU institutions have all contributed to the debate, while individual Member States or groups of Member States have also brought forward initiatives. The main positions are outlined in this 'at a glance' note.

European Parliament

The European Parliament has actively contributed to discussions on the 'Future of the EU', in particular through **four resolutions**. The first, of 28 June 2016, in the immediate aftermath of the UK referendum, took stock of the outcome of the UK vote, but affirmed the need to relaunch the European project and to launch reflections on the future of the EU. This <u>resolution</u> also focused on the need to make the EU more democratic. It recognised that Member States integrate at different speeds, but called to avoid 'à la carte' solutions. The European Parliament called for a 'roadmap for a better Union, based on exploiting the Lisbon Treaty to the full' and 'to be completed by a revision of the Treaties'. More recently, the Parliament adopted, on 16 February 2017 three resolutions on the issue of reforming/improving the functioning of the EU.

The resolution on 'Improving the functioning of the European Union building on the potential of the Lisbon Treaty' focuses on exploiting the 'unused potential' of the Lisbon Treaty, without requiring treaty changes. In particular, the resolution called for preserving the 'Community method', with recourse to inter-governmental solutions as a last resort. The resolution formulated concrete <u>suggestions</u> in four main areas: i) the institutional set-up (e.g. more use of the *passerelle* clauses by the European Council, and of Parliament's legislative initiative); ii) the role of the EU budget in EMU (e.g. integration of the European Stability Mechanism and Fiscal Compact into the EU framework, creation of a more democratic European semester); iii) external action (e.g. steps towards a common defence policy); and iv) justice and home affairs (e.g. a fairer and effective asylum and immigration policy with redistribution mechanism).

The resolution on 'Possible evolutions of and adjustments to the current institutional set-up of the European Union' is more far-reaching and envisages Treaty changes. Like the above resolution, it supported the 'Community method' and called for broad reflection on the future of the EU. The resolution made several proposals in the following fields: i) the general EU set-up (e.g. reduction of opt-outs, new strategy for future partnerships with countries not willing or able to join the EU); ii) economic governance (e.g. fiscal and economic policy as a shared competence, adequate involvement of the Parliament in the economic and monetary union); iii) security and migration (e.g. making security a shared competence, creation of a true legal EU migration system); iv) foreign policy (e.g. strengthening the role of the High Representative and re-naming it 'EU Foreign Minister'); v) fundamental rights, democracy and accountability (e.g. entrust the Commission with the power to bring infringement procedures for violation of the Union's values, determination of a single seat of the European Parliament, generalisation of qualified majority voting, empowering national parliaments with the right to submit legislative proposals, and Council and Parliament with a genuine right of legislative proposal).

The resolution on 'Budgetary capacity for the euro area' pointed to the lack of convergence in the euro area and called for a qualitative leap in integration. This resolution stressed the need to restore trust in the euro area, complete the banking union, strengthen the fiscal framework in order to absorb shocks, and create growth-friendly structural reforms. It also called for an increased fiscal capacity to restore trust of financial markets in the sustainability of public finances in the euro area.



European Commission

From Jean-Claude Juncker's State of the Union address on 14 September 2016 to the White Paper on the future of Europe of 1 March 2017, the Commission has sought to stimulate debate on the future of the EU. Meant as the Commission's contribution to the Rome Summit of 25 March 2017, which celebrated the 60th anniversary of the Treaty of Rome, the white paper highlights the challenges that the EU will face at global level in the next decade. It touches upon various topics: from the impact of new technologies and automation, to the place of Europe in the worldwide demographic development; and from youth unemployment, as an undesirable leftover of the 2008 financial crisis, to the security of external borders and the need to restore trust in the European project. The white paper identified five possible scenarios of 'how Europe could evolve by 2025' with the aim of stimulating debate without, however, intending to provide definitive solutions. The five options, which are neither mutually exclusive nor exhaustive are: i) 'carrying on', the EU 27 would keep on implementing the agenda as set in Juncker's 'New start for Europe' guidelines from 2014 and the September 2016 Bratislava declaration. Priorities would be regularly updated and adapted to current circumstances; ii) 'nothing but the single market', the EU re-focuses on deepening certain aspects of the internal market to the exclusion of, for instance, migration or other policies that do not belong to the internal market. Cooperation on new issues would be on a bilateral basis; iii) 'those who want more do more' where it is accepted that a 'coalition of the willing' proceeds at an increased speed in fields of their choice, such as defence, internal security, taxation or social matters. This 'coalition' would, however, always remain open to other Member States who wish to join later; iv) 'doing less more efficiently', the EU decides to focus on a reduced number of areas with stronger tools, reprioritise its action and leave aside those areas that do not fall under the new priorities; v) 'doing much more together' is based on the premise that the current EU-27 and Member States individually are ill-equipped to face current challenges. It is therefore necessary to pull forces together and advance in all areas, through sharing more powers and taking decisions faster. The white paper is being complemented by a number of reflection papers to be issued gradually up to June 2017, on the social dimension of Europe, harnessing globalisation, deepening the economic and monetary union, the future of European defence and the future of EU finances.

EU-27 leaders and the Rome declaration

One first visible effect of the UK referendum was the establishment of the practice of the EU-27 leaders (i.e. without the UK) meeting autonomously informally, in parallel with the European Council (i.e. the usual EU-28 formation). The idea was that the EU-27 leaders would concentrate on the future of the EU, while the parallel European Council focused on immediate EU policy priorities. Already at the first informal meeting in this new formation on 28 June 2016, the attitude of the EU-27 leaders was of unity and cohesion. There followed three phases of discussions culminating in the Rome declaration of 25 March 2017. In the first phase, from the UK vote to the Bratislava declaration and roadmap of 16 September 2016, the EU-27 leaders concentrated on diagnosing and reflecting on the causes and consequences of Brexit. The second phase, up to the EU-27 meeting in Valletta on 3 February 2017, was one of deliberation on the future of the EU, while the third phase focused on the construction and elaboration of a long-term vision for the EU, ultimately conveyed in the Rome declaration. This latter offered a message of 'unity and solidarity' among Member States, envisaged the possibility that the integration process may take different speeds and intensities while 'moving in the same direction', and called for increased attention to the expectations of EU citizens. The Rome declaration also expressed a vision for the EU for the next ten years, organised around four main priorities: a safe and secure Europe, a prosperous and sustainable Europe, a social Europe, and a stronger Europe on the global scene. To mark its all-encompassing nature, the Rome declaration was signed by the EU-27 leaders and by the Presidents of the European Parliament and the European Commission.

This debate is to continue with the Commission's State of the Union address in September 2017 and the European Council in December 2017, which may draw some first conclusions on action to be taken in time for the European elections in 2019.

Member States have also contributed to the debate on the future of Europe. Leaders of France, Spain, Italy and Germany, at a meeting in <u>Versailles</u> in March 2017, supported a 'multi speed' Europe. The Benelux countries expressed their <u>vision</u> for a united Europe open to different paths of integration. France and Spain, in a <u>joint declaration</u>, reiterated their loyalty to the European project. The <u>Visegrad</u> states praised the EU's achievements and declared their belief in the European project, emphasising that enhanced cooperation should remain open to all Member States and should not lead to disintegration of the single market, the Schengen area or the Union itself.

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