

Committee on Constitutional Affairs

Public Hearing

THE INSTITUTIONAL FUTURE OF THE EUROPEAN UNION WITHIN AND BEYOND THE TREATY OF LISBON

- SUMMARY -

Tuesday 26 May 2015 from 09.00 AM - 1.00 PM

By way of introduction, the Chair of the Committee on Constitutional Affairs **Danuta Maria Hübner** stressed the importance of the present moment in the history of EU integration and underlined the need to address the current challenges with a sense of urgency. The hearing was linked to the works on two AFCD own-initiative reports concerning the institutional future of the EU, namely the report of Ms Bresso (S&D, IT) and Mr Brok (EPP, DE) on "Improving the functioning of the European Union building on the potential of the Lisbon Treaty" and the report of Mr Verhofstadt (ALDE, BE) on "Possible evolutions and adjustments of the current institutional set up of the European Union."

The main objective of the hearing was to allow a deep discussion in the European Parliament on the future outlook of the EU institutional set-up by examining both the potential of the existing Treaties in this respect and what should be done beyond the limits of the Treaties in an eventual future Treaty change. The hearing was organised in two panels where six experts took the floor. The first panel focused on the sectoral policies, such as economic governance, external policies, justice and home affairs, whereas the second panel concentrated on the aspects of democracy, accountability and the institutional set-up of the EU.

The Chair passed the floor to the three rapporteurs (Mr Brok, Ms Bresso and Mr Verhofstadt) to present their introductory remarks. **Mr Brok** stressed that at the moment, the EU is facing a number of challenges and therefore we have to think about how the potential of the Lisbon Treaty can be fully exploited. At this moment, a quick Treaty change is unlikely to happen because of political reasons. Therefore, a discussion should take place in the field of home affairs, migration, free movement of labour, the Economic and Monetary Union, economic policy coordination, fiscal solidarity. Mr Brok stressed that what can be done in the framework of the Lisbon Treaty is this hearing's task. He also underlined that we have to consider in what way the Court of Justice's position can be strengthened, because in his opinion there is a deficit in this area.

Ms Bresso stated that the goal of the hearing is to listen to the experts' opinions with regard to the two INI reports and the working document which the three rapporteurs are preparing. In the first part the current challenges of the EU will be discussed. The second part will deal with the possibilities of tackling these challenges within the framework of the Treaty of Lisbon. The last part will address the need to meet some of the challenges through Treaty changes. The main challenges the EU is facing are the following: economic governance, democracy and accountability of EU institutions, foreign policy, the institutional architecture

of the EU. She also underlined that concerning economic governance we have instruments in the Treaty that could further the development of the internal market, energy market, digital union, banking union and the EU budget. Regarding the questions linked to democracy, there are serious matters, such as electoral law, issues related to free movement of citizens and the lack of synchronisations in the pension's system. Other challenges are the issues of: foreign policy, security policy, development in asylum and migration policy.

Mr Verhofstadt mentioned that the goal of the second INI report is to examine the institutional future of the EU beyond the Treaty of Lisbon. He also stressed that the idea of the report is not to start the review of the whole existing Treaty, but mainly to talk about precise challenges and precise changes. The report shall concentrate on four main issues: the institutional set-up of the EU, economic governance inside the EU and the Eurozone, democracy and accountability, and foreign policy, defence policy and the geo-political role of the EU. He concluded his speech by recalling the results of the 2014 Eurobarometer. He underlined that the problem of the EU is not the public opinion, but that the political elites of the EU lack courage and vision. The 2014 Eurobarometer showed that citizens wanted more integration: 56 % of the EU population were in favour of the Economic and Monetary Union (EMU) and the Euro, 66 % of the EU population were in favour of strengthening the common foreign policy and 76 % of the EU population were in favour of the common defence policy. It is one of the reasons why members of the AFCO committee decided to organise this hearing with participation of experts.

Part I: SECTORAL POLICIES

The first panel concentrated on the institutional future of the Union and in particular its economic governance, external policy, justice and home affairs. Three experts were invited to present their views: Prof. René Repasi, European Research Centre for Economic and Financial Governance, Prof. Marise Cremona, European University Institute, and Dr. Sergio Carrera, Centre for European Policy Studies.

Economic governance

Prof. René Repasi, European Research Centre for Economic and Financial Governance

At the beginning of his contribution, Prof. Repasi shortly described the framework set by the Lisbon Treaty for the European economic governance. The Treaty of Lisbon did not change the basic construction of the Economic and Monetary Union as it was introduced by the Treaty of Maastricht. This basic construction is characterised by its asymmetry: whilst the Monetary Union is a supranational one, the Economic Union remains intergovernmental. Therefore, national economies and fiscal policies should be aligned with certain policy goals set at the EU level but without any legally binding enforcement mechanism. The coordination of Member States' economies and fiscal policies was depoliticised at EU level by definition.

The main institution in the Monetary Union is the European Central Bank (ECB) equipped with an independent position vis-à-vis any other EU institution and vis-à-vis national

governments and Parliaments. The main institution in the Economic Union is the Council: it coordinates, upon recommendation of the Commission, the economic policies of the Member States and it exercises the budget control under the excessive deficit procedure. The European Parliament has no major role in the supranational Monetary Union because of the independence of the European Central Bank. The European Parliament has no major role in the Economic Union either because of its intergovernmental nature. National Parliaments have no role in the Monetary Union since the monetary policy is an exclusive EU competence. And with regard to matters concerning the Economic Union, national Parliaments are in an “international law modus” and, traditionally, control their governments ex post. He also stressed that this basic construction cannot be changed outside a formal Treaty change procedure.

After this introduction, Prof. Repasi focused on three main issues: a means of enforcement of measures taken under the EU economic governance framework, the question of an Euro area fiscal capacity and an Euro area budget and the issue of strengthening the role of the European Parliament in the economic governance framework.

Concerning the means of enforcement, he mentioned that one can distinguish between five means of enforcement:

- A) Private enforcement - private action builds up pressure on a non-compliant Member State and pushes it to modify its economic and fiscal policy decisions;
- B) Public enforcement with several degrees of intensity; where the least intense is “naming and shaming” - publication of non-compliance by the Member States creates public pressure on it and pushes to align its economic and fiscal policies in accordance to the common policy goals;
- C) Sanctions for non-compliance;
- D) Incentives for compliance;
- E) As the most intense means of enforcement - European policy decisions substitute national economic and fiscal policy decisions. Noncompliance is then “sanctioned” by substitution. Out of these enforcement means only the latter is excluded by the non-supranational nature of the Economic Union.

The current choice of the Treaties is a combination of private enforcement and “naming and shaming”. The question is whether this is effective. Prof. Repasi mentioned as well the last remaining enforcement mechanism: incentives. The hereby raised issue of payment of financial support to Member States triggers the follow-up question on the budgetary implications of such a mechanism and leads us to the second part of his presentation on the possibilities for an Euro area budget. In sum, the current Treaty framework allows the establishment of an Euro area budget outside of the ceilings of the MFF as long as financial contributions from Eurozone Member States are explicitly assigned to certain expenditure items for the benefit of Eurozone Member States. Those additional financial contributions would be new own resources introduced through an amendment of the Own Resources Decision in accordance with the procedure foreseen by Article 311 of the TFEU.

Moreover, he pointed out that in the current economic governance framework the European Parliament had no strong role assigned. This is linked to the intergovernmental nature of the Economic Union. There are, however, ways to increase European Parliament's involvement regarding the coordination of Member States' economic and fiscal policies beyond the European semester. He also stressed that there was still potential for strengthening the Union

level in economic governance and the role of the European Parliament therein. It is rather a question of political will than of legal boundaries whether this strengthening can be achieved.

Foreign policy

Prof. Marise Cremona, European University Institute

Prof. Cremona underlined the distinctive character and the purpose of the institutional framework for EU foreign policy. The Treaties establish a general framework, but do not set explicit targets. Therefore, synchronising action at the EU level with action at the Member States level is a challenge for lawyers, who have to find solutions to this dichotomy.

Furthermore, Prof. Cremona focused her presentation on a number of specific points. She started with the issue of international agreements and depicted the different fields of competence and procedures for concluding such agreements. Concerning the question of competence, the Lisbon Treaty was intended to systematize the competence-conferring provisions, and to some extent this was achieved. But what can be seen in practice is increased use of certain key legal basis for concluding international agreements - commercial policy, development cooperation, association agreements etc.

She also underlined that we are seeing fewer express Treaty powers and marginalisation of the implied Treaty-making powers, which carries institutional consequences in terms of choice of legal base. Concerning the procedure for concluding international agreements, the Lisbon Treaty consolidated it in a revised Article 218 TFEU, which now includes also CFSP (Common Foreign and Security Policy) agreements. The requirement of Parliamentary consent for an increased number of international agreements, including trade agreements, has altered the negotiation dynamics. Although the Parliament's consent is not required for CFSP agreements, it must be informed and a failure to do so is a breach of an essential procedural requirement.

Prof. Cremona highlighted in particular the issue concerning the negotiation of international agreements with a quasi-legislative or regulatory character - e.g. TTIP. The problem we have here is that the Parliamentary consent is given at the end of the process of negotiation of an agreement. She also addressed the question how the European Parliament can be involved at an earlier stage.

Finally Prof. Cremona pointed out the problems connected with CFSP, especially in the areas of shared competence. She underlined the need to establish boundaries between CFSP and non-CFSP external actions. The competencies and instruments are there but the ways to use them in a Treaty-abiding way is contentious. We have to take into account the Court's approach to the question of legal basis in the area of CFSP and consider the position as well as the engagement of the Court of Justice in such a policy area. Prof. Cremona also stressed the importance of having successful common strategic documents and initiatives in the key issue of foreign policy jointly agreed by the institutions, which would definitely not require a Treaty change.

Justice and Home Affairs

Dr. Sergio Carrera, coordinator of Justice and Home Affairs Research Programme of the Centre for European Policy Studies

Dr Carrera focused on the following points: the background of justice and home affairs policies, the main innovations brought by the Lisbon Treaty in this area, the main challenges in this respect within the current treaty framework and ideas for future adjustments.

He pointed out that justice and home affairs policy is comprised of very important issues e.g. migration and terrorism and that the cooperation in this respect has been very dynamic. However it can be also characterised by a number of deficits. The cooperation is undermined by lack of accountability, secrecy and its intergovernmental nature. The Lisbon Treaty ended the pillarization so that the community methods of cooperation could have started being applicable to the former third pillar. Through the Lisbon Treaty, the role of the EP was strengthened as a co-legislator as well as the role of the Commission and the ECJ, especially since December 2014 when the transitional process had come to an end and the Commission acquired full powers to monitor implementation of instruments in the field of justice and home affairs. Moreover, Dr Carrera mentioned the binding nature of the Charter of Fundamental Rights and the increasing role of the European External Action Service.

Furthermore, in the field of justice and home affairs certain amount of flexibility and differentiation mechanisms exist, e.g. opt-outs allowed by the transitional Protocol No. 36. Examples of differentiated integration are: brake clauses in the area of criminal justice and criminal offences, possibility of enhanced cooperation with regard to criminal justice cooperation, criminal offences and the European public prosecution.

The challenges in the area of JHA are the following: how to strengthen the European Parliament's role as a co-legislator (examples proving that the European Parliament is not treated as an equal co-legislator: development of international agreements, the first reading procedure, Parliament's engagement is not sufficient at the beginning of the legislative procedure, informal trilogues); how to improve transparency and accountability in interinstitutional cooperation.

He expressed his doubt whether there was consistency and coherence of policies and a truly common area of justice. He mentioned "exceptionalism" (the UK position, the opt-outs and the use of the national security clause). The principles enshrined in the Lisbon Treaty need to be put into practice, including the principle of solidarity, the implementation of measures in the field of criminal justice and the Charter's provisions. We should also examine how differentiation and enhanced cooperation impacts on discrimination and unequal rights within the EU.

The possible solutions might be: more democratic accountability in the decision-making process in respect to justice and home affairs, putting into practice the current principles, the protection of fundamental rights laid down in the Charter shouldn't be taken for granted.

Mr. Jahier, President of Group III: Various Interests of the European Economic and Social Committee

Mr. Jahier stressed the need of focusing on the social dimension beyond what we have in the current Treaty. The current EMU governance system has limits when it comes to democracy, accountability and sometimes also efficacy in the decision-making process which leads to losing citizens' trust. During the crisis, a number of measures should have been taken, however they have been addressed with solutions of intergovernmental nature, which did not allow us to tackle the crisis as effectively as possible. The EU's remedies were not executed in a consistent and coordinated fashion. We need to move from coordination to the community method in economic governance and use of the ordinary legislative procedure. There is a need to provide some kind of redistribution mechanism and in order to be able to do that - a proper budget for the Eurozone is needed. Not only democracy, accountability, legitimacy and transparency are crucial, but also the implementation of a social dimension in the EU. Mr. Jahier recalled Articles 9 and 3 TEU, Articles 152 and 153 TFEU and the Charter on Fundamental Rights, stressing that there are provisions that would allow us to implement the social element now. He also mentioned the need of social indicators and constructive participation of civil society.

Discussion:

In the discussion the following questions were asked and comments were made:

- It was stated that more can be done within the current Treaty. There is a need for adjustments in procedures to address the democratic deficit in the international activities of the EU and public participation in external policy, trade policy, development policy and others;
- What could be the role of the EP if a Eurozone budget is created?
- On the need to coordinate tax policy among Member States - are there provisions in the Treaty allowing to set up a European tax agency with a task to follow up on coordination in this respect and is there a legal basis for a European antiterrorist police;
- Are there possibilities in the Treaties to establish a Eurozone budget through enhanced cooperation or would a Treaty change be necessary? On internal terrorism - what possibilities for structured cooperation could bring together external policy, defence policy and internal security policy?
- It was pointed out that in the EU there were elements of economic policy at supranational level. However, with regard to fiscal policy it seems to be more intergovernmental. In case of creating a Eurozone budget - what would the money be spent on - policies on EU level, or national level? It was also questioned whether the Eurozone needs a borrowing and lending capacity;
- Is it possible to move more towards QMV and not only ordinary legislative procedure? How can an IIA take us forward to better enforcement and better use of the current Treaties? Is the insufficient enforcement of the Treaties caused by the flaws in the law? Is it possible to combine some functions under the current Treaties (like the creation of Eurozone President)?

Prof. Repasi replied that pursuant to the Treaties' provisions the euro is the currency of the EU, the Council is the representation of the Member States and the European Parliament is

the representation of the EU citizens - therefore the European Parliament is entitled to decide on the Eurozone fiscal capacity. The concept of EU citizenships and nationality should be separated in this case. Furthermore, if there is a need for higher representation of MEPs coming from certain Member States, the Parliament may set up a committee composed of certain MEPs, nevertheless the European Parliament in its entirety should be responsible in this respect.

On the question of tax ruling, he mentioned that the legal basis for a European tax authority could be Article 115 of the Treaty (that requires unanimity; if not - through enhanced cooperation) and recalled that the Treaty does not forbid borrowing and lending for the EU budget but does not allow for deficit. He pointed out that private enforcement failed during the crisis, additionally the financial sanctions turned out to be worthless when applied in countries in financial troubles. IIAs have great potential to improve the situation without a Treaty change. Regarding the possibility to merge functions, it can be done if they are held by the same person, however it should be ensured that by doing this non-Eurozone countries are not excluded. The European Parliament could file a complaint to the ECJ against the Council not fulfilling its obligation to use QMV.

Prof. Cremona pointed out that it would be helpful to have a public discussion of potential agreement, especially those relating to regulatory practices. She also underlined the need for the EU to move towards convergence in decision making practice between the CFSP and the JHA areas, particularly in relation to the involvement of the Parliament.

Dr Carrera stressed that the need for more integration between internal and external aspect was undeniable but the conditions needed to be determined. The problem of identical citizens' rights and unequal treatment in the EU may become a problem in the context of free movement of people; the limits to fragmentation should be the citizens' rights.

Part II

DEMOCRACY, ACCOUNTABILITY AND INSTITUTIONAL SET-UP

Prof. Antonio Padoa Schioppa, Professor in History of Medieval and Modern Law (University of Milan)

Prof. Padoa Schioppa pointed out the current challenges that the EU is facing - the euro crisis, an unemployment crisis (about 10% overall but about 20% among the young people), jeopardised peace in Europe. After seven years the crisis has not been overcome, however the Juncker plan is going into the right direction. He emphasised that in the last European elections in 2014 foundations for parliamentary democratic structure in the EU were laid down which legitimised the European Parliament and contributed to a great progress in the EU institutional set-up.

Currently the main problems in the EU are the following: lack of proper economic governance and resources, mainly intergovernmental decision making process. He pointed out that the Juncker plan called on private investors, however in order to provide protection of the public interest there needs to be European level funding, public investment and European wide governance. He stressed the difference of distinguishing between coordination and governance.

Pursuant to the Treaties, there is the structured cooperation method available for defence policy and the enhanced cooperation method in regard to economic policy; however they have not yet been fully exploited. Although there is a lot of leeway in the Treaties, he calls for a Treaty reform with a particular focus on the following points:

- European governance - more power should be given to the Commission in view to increase effectiveness, efficiency and democracy. Effectiveness and efficiency can be achieved through increasing the use of QMV instead of unanimity which can block any decision and prevent progression;
- Establishment of an European tax policy/ a fiscal policy;
- The European Parliament should always enjoy legislative co-decision powers;
- Acknowledging the double architecture in the EU - those Member States which do not want to participate in specific EU developments should not be able to prevent the other Member States from doing so. The concept of the third chamber could be dangerous and destructive because the European Parliament already is a representative of the citizens; instead we have two Councils, however the decisions in the Council should be taken by majority, not unanimity. Article 48 of the TEU was also recalled.

Prof. Padoa Schioppa concluded by emphasising that the concept of the EU is still welcomed by citizens and its value consists in the fact that many things can be achieved at the EU level than cannot be achieved at Member States level.

Univ.-Prof. Dr. Christian Calliess, Freie Universität Berlin

Prof. Calliess argued that, compared to the Spinelli report of 1984, today's circumstances and environment of European integration have changed. There is a need for flexibility, differentiation and enhanced cooperation, which is limited to the competences conferred by the Treaties. Europe is facing new challenges, above all concerning democracy: by referring to the Treaties, Prof. Calliess stated that including national Parliaments in the integration process may lead to multi-level democracy and multi-level parliamentarism.

He argued that the institutional design of the Union was not capable of dealing efficiently and legitimately with the three fundamental aspects of the current crisis: the banking crisis, the sovereign debt crisis and the competitiveness crisis, which led after all, also to a crisis of European democracy. As this crisis is not over and as the three aspects mutually enhance each other, Prof. Calliess argued that this window of opportunity could and should be used in order to achieve fundamental reforms. In order to resolve the current crisis in a sustainable manner and to prevent future crises, a renewed European Economic and Monetary Union within and beyond the Lisbon Treaty has to be established. Prof. Calliess argued that this requires a Fiscal Union, a genuine Economic Union as well as a deepened Political Union.

Principles of democracy, the rule of law, the principles of subsidiarity and solidarity as well as the stability principle as regards the Monetary Union must be respected. For policy reforms he suggested the enhanced cooperation (20 TEU and 326 TFEU). He mentioned that a European concept of intervention in the national budgets has to be established; however the principles of subsidiarity and proportionality have to be respected. The areas that can be better exploited within the Treaty of Lisbon are: Employees Mobility Directive (mechanism

of mutual recognition to reduce still existing barriers in the labour market; Eurozone Insurance Mechanism (to cushion the consequences of economic downturn). The ESM could be transformed into a European Monetary Fund which should be able to initiate the insolvency of a bankrupt Eurozone Member States.

Furthermore, Prof. Calliess pointed out that the economic government should not have an intergovernmental character, but instead it should become a part of the Commission. He argued that the economic government should have broad competences to negotiate reform packages, conclude agreements with Member States undertaking structural reforms, decide on bank closures and have the right of legislative initiative in the field of Fiscal and Economic Union. In order to provide its democratic accountability the economic government should be elected and scrutinised by the European Parliament. To facilitate a Treaty change in this respect it may be helpful to include the national parliaments in the process. However, another possibility is to establish a third chamber consisting of members of the national parliaments. Within the Lisbon Treaty it is also possible to establish a veto right (red card) of the national parliaments as regards the policies in question. It would be necessary to develop a mechanism that could ensure that the veto cannot block the decision making process. Another option could be to combine the two abovementioned ideas.

Andrew Duff, former Member of the European Parliament

Mr Duff argued that the European Parliament should use and protect its own prerogatives which have been granted by the Treaties. He pleaded for exploiting the six constitutional powers the European Parliament has under the current legal framework. The first one is according Article 14 (2) TEU - the reapportionment of seats in the Parliament; secondly, according to article 223 (1) TFEU - the proposal for a uniformed electoral procedure, ideally by creating a pan-European constituency from which a certain number of MEPs will be elected from trans-national party list. This is the logical follow-up to the Spitzenkandidat experiment of 2014. Thirdly, pursuant to Article 48 (3) TEU 1st para - the Parliament needs to be prepared to give a negative opinion to a request from the Council to amend the Treaties in a way not desirable to the EP. Fourthly, Article 48 (6) TEU - the Parliament needs to be prepared to give a negative opinion to a request by the European Council to change Part III TFEU according to the simplified revision procedure. And fifthly, under Article 48 (3) TEU 2nd para, the Parliament needs to be prepared to insist on the calling of a Convention against the wishes of the European Council. Finally of course, the Parliament needs to make proposals of its own to amend the Treaties according Article 48 (2) TEU.

Mr Duff also mentioned the issue of Brexit and he said that the British Prime Minister is in the course of gradually defining his catalogue of demands for the "renegotiation" of the UK's terms of membership. He also stressed that Parliament should ready itself to go to the European Court of Justice under Article 267 TFEU for a ruling on whether any intergovernmental agreement that may be struck by the Member States outside the framework of EU law to appease the United Kingdom is in breach of their Treaty obligations. He also underlined that primarily the quest for government is important. From his point of view, the priority task of the next Treaty revision must be to concentrate executive authority in the European Commission after its internal reform and revise again the role of the European Council. He also said that the European Central Bank should be endowed with all the powers of a federal reserve bank, becoming the proper lender of last resort. He mentioned as well that the rotating six-monthly presidency of the Council, which has long passed its usefulness and

efficacy, should be scrapped. In its place, in the interest of specialism and continuity, each formation of the Council should elect its own "permanent" chair. Such reform should allow the Council to become more parliamentary and less diplomatic, more open and accountable to national parliaments. He also mentioned the position of national parliaments and the necessity to improve it.

Markku Markkula, President of the Committee of the Regions

Mr Markkula stressed that the Committee of the Regions calls for multi-level governance and that a clearer definition of the principle of subsidiarity is needed. He also underlined that the EU decision making process could be improved and the Committee of the Regions is ready to participate in the pre-legislative phase, as well as to be involved in the transposition of EU legislation on the ground. He also suggested that the Committee of the Regions should participate as an observer in the trilogue negotiation in the areas where its consultation is required by the Treaties. He said as well, that local and regional authorities must be involved in the economic dialogue between the Commission, the European Parliament and the national parliaments, e.g. in the European parliamentary week. In particular, the Committee of the Regions would like to contribute, as a key player, to the debates on the economic, social and territorial cohesion, which is naturally its key priority area. Any change of the Treaty should be driven by strong assessment and political will.

Mr Jahier, European Economic and Social Committee

Mr. Jahier demanded more transparent procedures for public consultations and more explicit implementation of the principle of subsidiarity. He envisaged the European Economic and Social Committee at the forefront of the implementation of Article 11 TEU. He also expressed the readiness of the institution he is representing to participate in the negotiations of the IIA on Better law-making, and in any possible future Convention.

Discussion:

MEPs underlined the importance of legitimacy and transparency in the procedures, communication with citizens, as well as the need to find the balance between the technocratic direction and sovereign citizens. Some expressed the views that part of the relationship between the EU and its Member States should be channelled through the national parliaments, even if this mechanism has its shortcomings. The need to reform the Council was also raised in the direction of eliminating the various Council configurations and having only one single Council taking the decisions. Members also emphasized the need to refrain from socially unjust practices like the ones that emerged in the crisis.

Attention was drawn to the fact that the European Parliament's powers to approve the revenue of the EU are quite limited, as the current situation is one of representation without taxation. The fact that 80% of the current budget is financed from Member States' contributions shows that this system is not very efficient and should be reformed. There is a need for EU own resources and to eliminate rebates.

MEPs did not look favourably into the establishment of a third chamber as it would in their opinion overcomplicate the current institutional set-up and make it more difficult for citizens to understand. An opinion was also expressed that the use of enhanced cooperation could help to overcome the current problems of disintegration. A common security and defence policy is necessary in the EU as a core of the political union. It was pointed out that the national parliaments should be represented through delegations to balance overrepresentation of the governments; however that would require a new convention and a Treaty change.

Prof. Padoa Schioppa in his reply stressed that the participation of the national parliaments is crucial, however the third chamber would overcomplicate the institutional landscape. He pointed out that the instruments provided by the Lisbon Treaty needed to be better exploited now to fight the current challenges the EU is facing and because an institutional reform is not going to happen very soon. He suggested the use of enhanced cooperation; stressed the importance and the role of the debate in the European Parliament and expressed his opinion that citizens were in favour of the establishment of European defence and foreign policy.

Prof. Calliess stressed that the third chamber should be introduced only in new policy areas and with a goal to convince the Member States to share the national competences at the EU level. He highlighted the importance of own resources in the EU budget, however stated that this task was very difficult to achieve at the moment because of political and constitutional reasons. The Member States are not ready for a Treaty change, but a concrete reform of the monetary union is necessary now.

Mr Duff said that a strong government in the EU would contribute to creating a strong parliament; the issue of the defence policy must be addressed carefully starting with for instance the European Defence Agency under the auspices of the Commission; on the Brexit - we must not appease the British if they try to block the deeper integration.