



24.7.2020

NOTICE TO MEMBERS

Subject: Petition No 0333/2020 by Michel Simixis (Belgian) on a proposal for Treaty Reform in view of dealing with the Covid-19 caused economic crisis

1. Summary of petition

The petitioner explains that due to the Covid-19 crisis, and pre-existing economic problems, a 40% degree of unemployment as well as hyperinflation might be looming.

In his view, the EU should deal with this challenge by a Treaty change, with three indivisible components: the setting up a fiscal Union, a universal minimum income guaranteed by the EU and a neutral EU army.

The petitioner reasons that the fiscal Union is needed for the general funding of these policies, but in order to make it politically viable, he believes that this should be linked with an EU funded minimum income in order to avoid reluctance by nationalistic tendencies in society. Hyperinflation and unemployment, as well as the consequences of the AI-revolution add to the need of this minimum income. Eventually a neutral EU army should, according to the petitioner be made part of this deal.

2. Admissibility

Declared admissible on 16 April 2020. Information requested from Commission under Rule 227(6).

3. Commission reply, received on 24 July 2020

The EU Treaties indicate that Member States are determined to achieve the convergence of their economies¹. The Treaties constitute the basis for coordination of economic policies of the Member States and provide the foundations to deal with the economic crisis. The urgency of

¹ Preamble to the Treaty on European Union.

the response to the COVID-19 crisis entails acting within the current legal framework.

To facilitate a timely response, the Commission has proposed to adapt the next seven-year EU budget to the new circumstances, post-corona crisis. The EU budget is *per se* designed for investment, for cohesion and convergence. However, its firepower needs to be adjusted to generate the necessary investment across the whole of the European Union.

The Commission has therefore proposed a new recovery instrument, called Next Generation EU, which is linked to the EU budget and contains an increased financial support for investment, reforms in Member States and cohesion. It will also increase investment into the EU's modern policies: the European Green Deal, digital transition, the implementation of the European Pillar of Social Rights and increased strategic autonomy. Thanks to the legal guarantee by Member States, the Commission will be able to raise funds, which will then be channelled through the European budget into the Member States.

The instrument will facilitate a fair and inclusive economic revival after the COVID-19 pandemic, by providing resources to stabilise the economy, to protect incomes and create jobs, to maintain the level playing field within the Single Market and to prevent economic and social divergences between Member States. These new facilities and the strengthened budget together with the broader framework provide a strong safety net to deal with the crisis.

In the area of defence, the Commission has focused on the implementation of its 2016 European Defence Action Plan (EDAP)², which aims to make sure that Europe has a sustainable and innovative defence industrial and technological base. Notably, the EDAP launched the European Defence Fund (EDF) to coordinate, supplement and amplify national investments in defence research and development, and to promote cooperation between industries and among Member States. In parallel, the Commission is playing a key role in the implementation of counter-hybrid measures, foreseen in the 2016 Joint Framework on Countering Hybrid Threats³, and the June 2018 Joint Communication Increasing Resilience and Bolstering Capabilities to Address Hybrid Threats⁴. Likewise, the Commission's competences in the areas of transport infrastructure, transport of dangerous goods and customs have allowed it to bring forward the implementation of the 2018 Action Plan on Military Mobility⁵. Finally, the Commission has substantially contributed to stepping up cooperation with the North Atlantic Treaty Organization (NATO) to an unprecedented level through a wide range of areas - notably political dialogue, military mobility, and countering hybrid or cyber threats.

² https://ec.europa.eu/commission/presscorner/detail/en/IP_16_4088

³ JOIN(2016) 18 final.

⁴ JOIN(2018) 16 final.

⁵ https://ec.europa.eu/commission/presscorner/detail/en/IP_18_2521