

Strategic options for Europe's future

The euro crisis has prompted the most intense debate about the future of the European Union in its 55-year history – but most of the contributions to that debate have amounted to little more than a repetition of well-known positions.

What is urgently needed now is some genuinely fresh thinking and new ideas about how to respond to the financial, economic, political and social challenges facing our troubled Union. We need a new 'pact' for Europe – between its member states, and between the policy-makers and the public – to heal the wounds of the economic crisis, to deliver effective responses to those challenges, and to re-establish the European Union as global player.

The *New Pact for Europe* project, initiated and supported by a large consortium of European foundations led by the King Baudouin Foundation and Bertelsmann Stiftung, aims to support a pan-European public debate on the future of Europe. Through a rigorous analysis of the current state of the Union and the strategic options for the future, followed by a series of national debates involving ordinary members of the public as well as politicians, business leaders, trade unionists and other civil society representatives to discuss those options, it seeks to generate realistic and practical ideas to make European integration more effective and strengthen the EU's position on the international stage.

This initial analysis has been included in a first report of the project, *Strategic Options for Europe's Future*, which reflects the work and discussions of a Reflection Group including EU experts from different member states and marks the end of the first stage of the process: it analyses the 'state of the Union' and the multifaceted challenges ahead, and assesses **five possible strategic options for the future:**

Option 1 - Going back to the basics: Supporters of the option argue that the events of recent years have shown that European integration has gone too far and that the EU should abandon moves towards an 'ever closer union'. For them performing a U-turn and undoing mistakes of the past is the most promising way forward to rescue the most worthwhile result of European integration: the Single Market. Dismantling the euro in its current form would according to advocates of this option – not lead to a collapse of the Union, but rather herald the start of a more pragmatic, effective approach to European integration.

Option 2 – Consolidating past achievements: Proponents of this option argue that the EU has already introduced most of the reforms needed to overcome the euro crisis and these should be given time to work. There is a need to be realistic and accept that member states are not willing to go further and pool sovereignty in key areas. The EU should, at this difficult moment, steer clear of overambitious attempts to deepen integration, which could backfire given the negative

political and public attitudes in many countries towards the EU and euro.

Option 3 – Moving ahead ambitiously: Those supporting this option argue that simply consolidating past achievements will not be enough: further integration, including measures to further deepen integration in the Economic and Monetary Union and boost the Union's democratic legitimacy in the public's eyes, and an honest public debate about the EU's future are vital not only to overcome the crisis but also to prepare for future challenges. All this will require significant changes to the EU Treaties. But reforms will have to be done jointly and cautiously, step by step, to avoid creating new dividing lines between EU countries.

Option 4 – Leaping forward: Advocates of this option say that recent experience has provided ample proof that the EU is insufficiently equipped to face current and future challenges, and that there is a need to take a major qualitative leap towards a fully-fledged economic, fiscal, financial, social and political union, with a strong European executive ('European government') and legislature (parliament) able to take autonomous decisions reflecting genuine European interests. Potential opposition from some countries should not prevent the 'willing and able' from making a major leap forward, even if this leads to a 'core Europe' including only those countries ready to deepen integration significantly.

Option 5 – Changing the 'more/less Europe' logic: Supporters of this option believe that the traditional debate about European integration along the lines of more or less Europe has been exhausted. The experience of the last six decades has shown that a further transfer of national political and democratic concepts to the European level would not work. They say that the EU and its members should concentrate on efforts aiming to make the Union more accountable to the public for its actions, find new ways to involve the public in policy-making, and boost the EU's capacity to safeguard the fundamental rights of its citizens and guarantee their basic social rights by strengthening the Union's caring dimension.

This first report is designed to serve as a basis to promote an open and frank debate all over Europe about possible alternative paths for the future development of the European Union. The report is currently being discussed with citizens, politicians, policy-makers and key stakeholders in about 50 events in many EU countries to generate ideas for future action. After that, the Reflection Group will draw on the outcome of these debates to draft a proposal for a *New Pact for Europe*, including concrete recommendations, with additional input from an Advisory Group to further enrich their work. The aim is to feed these proposals – which must ensure the EU's continued relevance and clout in a vastly changed world – into the work of the new EU leadership which will take office after the May 2014 European elections.

There is no time to lose: the challenges Europe is facing are profound and only partly caused by the economic situation. Differences over Europe's priorities, policy direction and the depth of its integrationist zeal can no longer be dismissed as the concerns of a small minority of eurosceptics. Member states are more divided than ever by disagreements over the EU's role and purpose. The current economic crisis has simply highlighted a need to take a fresh look at what a united Europe stands for and should focus on, half a century after the original member states embarked on the road towards an 'ever-closer union'.

The European elections in May 2014 look set to produce results clearly confirming that, largely because of the financial and political fall-out in Europe from the global economic crisis, public opinion is increasingly negative towards the EU's leaders and the way the Union is run. This situation threatens the very future of the Union and the time has come to restore public faith by reshaping Europe to better match people's aspirations.

Perceptions of economic mismanagement and disputes between Europe's leaders about the answers make it even more imperative to set out a course which has significant public support from the outset, rather than trying to swing public opinion behind plans after they have been formalised by EU institutions.

That is the aim of the *New Pact for Europe* project. It encourages genuinely fresh thinking that generates innovative ideas for future action in the many public and private meetings held these months involving all sectors of society, from top political figures to ordinary members of the public.

Obviously, not all the ideas that make their way into the draft pact will be taken up by policy-makers, but it aspires to provide a valuable contribution to the ongoing debate over how to introduce workable, realistic reforms that will shore up an EU hit by financial, economic, political and, increasingly, social turbulence as well as global challenges.

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Simply repeating the same old policy responses will not do: they cannot close the widening gap between EU countries themselves, and between the member states collectively and the public. We need a plan that combines a return to the EU's core values, updated to cope with a globalised world vastly different from the one which saw the creation of the Common Market more than 50 years ago, with new ideas for the future.

The timing of this initiative is crucial: by the end of the consultation process and the drafting of proposals for change, the new European Parliament and new leadership in the European Commission and European Council will have been installed, with a mandate to deliver the Europe the citizens want. Their biggest priority must be to ensure that the EU does not (as many claim it already has) lose touch with the people it is meant to serve. ■

NEW PACT FOR EUROPE

If you wish to receive more information about the project or join the debate, please visit the website the New Pact for Europe at www.newpactforeurope.eu

