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*"Europe was born in a crisis and will be forged in crises", Altiero Spinelli used to say, convinced that European unity was "the political project of our time".*

27th December 2020 will probably go down in Europeans' collective memory as the day when the Union, as it began distributing the vaccine to all its member countries, showed that it was capable of offering its citizens protection and acting as a united front against the virus, a common enemy which has had a devastating impact on our health and our way of life. Ursula Von der Leyen, the President of the European Commission, has stated that the vaccine will also be distributed to the Western Balkan countries (not yet members of the EU) and North Africa: this represents the first concrete step in a European foreign policy.

An institution that guarantees these "common goods" is already a state, albeit incomplete.

Faced with this huge global crisis, the European Union reacted promptly. Despite the handicap of a decision-making process that does not always allow majority

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voting, the EU has made clear political choices, equipping itself with the tools to face both the pandemic and the serious economic downturn generated by the lockdown.

Firstly, the prompt intervention of the ECB enabled the purchase of government bonds from the countries most affected by the pandemic. Then the Commission suspended the “Stability and Growth Pact” to allow states to go into debt to fund the first measures to support businesses and citizens; it also set up a “European unemployment scheme” (SURE) worth 100 billion euros.

But, above all, last May the Commission – which now increasingly resembles a “European government” – launched the *Recovery Plan for Europe*, whose name recalls the Marshall Plan (the European Recovery Program), the initiative that helped rebuild Europe after the war.

As is known, the Plan is based on two instruments. The first is Next Generation EU, namely 750 billion euros in investments aimed at funding the recovery and, at the same time, managing the transformation of the European economy towards the energy transition and the digital revolution. The second is the increase in budget (from 1% to 2% of European GDP), and the addition of European debt securities (union bonds) to finance investments. New “own resources” for the Union are also in the pipeline, from a carbon border tax (to reduce CO<sub>2</sub> emissions), to a web tax (on tech giants), as well as the introduction of measures to combat tax havens and money laundering.

The Plan’s “political philosophy” is clear: to put Europe back on its feet and drive change, in the direction of the Green Deal and the digital revolution, to enable the Union to face global challenges on an equal footing with the other superpowers. “Nation states are no longer the answer” is a sentiment shared by Angela Merkel, leader of the most important EU country, and Ursula Von der Leyen, representative of the “European government”: two women who personify the shift

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from national to European politics.

The Recovery Plan therefore represents a strong, united political response, which has made it possible to overcome the flaw that “hobbled” the Maastricht treaty (creating a currency without a state, as is generally said), teaming the euro with the first form of European economic policy: investments based on common resources, guaranteed by a stronger budget. In this respect, the Plan is therefore revolutionary: it marks the introduction of a European fiscal capacity, additional to and operating in parallel with that of the Member States. And all of this has been achieved without reforming the Treaties: the Union has thus strengthened its implicitly federal nature, upholding the principle that European solidarity is possible if there is common control over the use of resources, guaranteed by common rules and institutions.

This philosophy also enabled the “compromise” reached at the end of the year, which establishes a link between the distribution of common resources and respect for the rule of law. Like all compromises, it is not entirely satisfactory, but it has allowed the resources of Next Gen EU to be linked to respect for the rule of law, removing the veto threatened by Poland and Hungary.

The objectives of the Recovery Plan are valid not only for Europe, but also the rest of the world, which has to find a cooperative, non-conflictual way of managing both the environmental crisis and the technological revolution. Europe is leading the energy transition and helping to write the rules for the digital revolution, showing people that there needs to be a “common sovereignty” over a number of global public goods, at the service of humanity.

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*The Covid crisis has made us all too aware of both our precarity and our interdependent destinies.*

*It has shown us the importance of Europe in this new multipolar world, and the need to unite against the immense ecological, economic, social, health and security challenges facing our societies.*

*Today the Europeans have an opportunity to make the European Union the first democratic, multinational and multilingual power, built by citizens and open to the world. Let's seize that opportunity.*

**Call to Citizens and leaders of the Union**

**The appeal can be signed here: <https://forms.gle/iR75h4riKhv9DKpFA>**

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Let's seize that opportunity.

The Covid crisis has made us all too aware of both our precarity and our interdependent destinies.

It has shown us the importance of Europe in this new multipolar world, and the need to unite against the immense ecological, economic, social, health and security challenges facing our societies.

It has revealed the unique character of our economic and social model.

In these unprecedented times, and despite powerful though illusory temptations to turn inwards, the EU has chosen to face outward, and understands the utter vanity of every man for himself.

During the first wave of the pandemic, Europeans dared to invent new forms of solidarity, establishing a collective support system for struggling enterprises and unemployed citizens, as well as conceiving a recovery plan unprecedented in its size, philosophy and respect for rule of law. A Union that takes stock from its crises to strengthen its resilience and better protect its citizens.

While we are pleased about all this, we are also aware that these actions and plans only make sense if they serve the lasting interests of the citizens of the Union and are part of a perspective of regeneration of the European project.

There is a huge risk of having rules and lifestyles imposed on us that we do not want, especially in the digital domain dominated by a few systemic platforms.

What alternative?

First of all, giving us the means to succeed in the concrete implementation of the

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European recovery plan, while keeping, in the meantime, the economy. support systems; the extension of the coverage of employment and income support for all categories of workers, including those in precarious, atypical or self-employed work.

Its financial magnitude is major but a real reflection on the quality of the investments required to have a strong impact on sustainable and socially inclusive growth has not taken place.

As they stand, the national recovery plans that are currently being drafted and that will be notably financed by European money, take up old, outdated digital and ecological projects.

There is an urgent need to correct the situation and better involve the social partners and citizens in the choices to be made, while promoting investments with a truly European dimension, capable of forging a New European Deal, including an ambitious Green New Deal.

It is the success of this plan that will break the mistrust between frugal and spending Member States and create the conditions for a real, long term European budget, the only one able to make Europe an economic, ecological and cultural power of the 21st century.

Secondly, it is a question of making the Conference on the Future of Europe an experience of real democratic citizen participation.

Its ambition must be clear: to build a forward-looking, bold and shared vision of our future for the coming decades.

The *WeEuropeans* experience, which has reached 38 million citizens in 27 countries and in 24 languages, shows a real appetite of European citizens to participate in defining our common future through a new form of continuous participatory and deliberative democracy, which complements our representative

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democracies.

Only this new democratic impetus, which engenders genuine European citizenship, can lead to a Union of well-being, of peace and solidarity, providing opportunities for everyone. A Union which, by mobilising citizens, States, public authorities and social partners, will be able to provide concrete solutions to the rise in inequalities and unemployment; which contributes to the preservation of the planet; which guarantees and defends its fundamental values of unity, freedom, solidarity and democracy.

The urgency today is to give us the means to decide in a more legitimate, efficient and rapid way. This decision-making capacity is indispensable at a time when the technological transformations and the rebalancing of the world's major powers are accelerating.

The current Treaties allow us to move from unanimity to qualified majority voting system in certain areas.

Let us apply qualified majority voting to all the Union's policies and actions as soon as possible.

Let us move from a system of weak cooperation to a project of common construction!

We regret the departure of our British friends and we are convinced that a special and extremely close relationship will be established with London.

But if there is one lesson to be learned from their accession and departure, it is that the more exceptions are accepted for a Member State, the less it grows in European unity and solidarity.

The time has undoubtedly come to make the unity of our Union a real reality.

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Let us be clear: this will only be possible if we truly value our diversity and the cultural, economic, social and historical contributions of each and every one of us.

Let us finally have the audacity to put culture at the heart of European software to once again become this major centre of world creation capable of attracting the best talent in the world.

But once again, this new European stage will only be possible if every citizen takes ownership of the European project through the institutionalisation of a process of deliberative democracy that is continuous, transparent, inclusive and guarantees concrete implementation of the decisions taken. This is an essential condition for making the Union everyone's project!

The window of opportunity is narrow but the context is favourable at European and global level.

Our collective responsibility is immense.

While there is still time, let us bring together the millions of citizens from the four corners of our Union who are ready to commit themselves.

**This appeal can be supported and signed here:**

<https://forms.gle/iR75h4riKhv9DKpFA>

*\* Signatories*

On the initiative of the co-Presidents of CIVICO Europa, **Guillaume Klossa**, former sherpa for the reflection group on the future of Europe (European Council) and former Director of the European Broadcasting Union, and **Francesca Ratti**, former Secretary general of the European Parliament :

**László Andor** (HU), Economist, former European Commissioner;

**Lionel Baier** (CH), film Director;



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**Massimo Cacciari** (IT), Philosopher, former Mayor of Venice, former Member of the European Parliament;

**Jasmina Cibic** (SI), Artist;

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**Jože P. Damijan** (SI), Economist;

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# **THE VENTOTENE LIGHTHOUSE** *A Federalist Journal for World Citizenship*

**April 18, 2024** by

President of the Union of European Federalists (UEF), former European Affairs Minister;

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**Luca Visentini** (IT), General Secretary of the European Trade Union Confederation;

**Sasha Waltz & Jochen Sandig** (DE), respectively Choreographer and Director of the Sasha Waltz Company;

**Alenka Zupančič** (SI), Philosopher;

**Samuel Žbogar** (SI), Head of EU Delegation in Skopje, former EU Special Representative in Kosovo, former Minister of Foreign Affairs;

**Slavoj Žižek** (SI), Philosopher.

**This appeal can be supported and signed here:**

<https://forms.gle/iR75h4riKhv9DKpFA>

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**Link:**

<https://civico.eu/news/for-a-democratic-european-power-call-to-citizens-and-leaders-of-the-union-1/>

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During one year Italy will chair for the first time the G20 - the network of the more developed countries in the world for their global GNP (90%), the import/export (80%), the inhabitants (2/3 of the humanity), the cultivated lands (60%) and the agricultural products (80%) - and mainly the meeting of the leaders that will take place in Bari the 30<sup>th</sup> and the 31<sup>st</sup> of October after the G7 chaired by the United Kingdom and the COP26 of Glasgow from the 1<sup>st</sup> to the 12<sup>th</sup> of November.

The G20 is an intergovernmental network born in Washington in 2008, after the explosion of the biggest economic depression in 2008 eighty years after the Great Depression in 1929, with the aim or the illusion that the “Greats of the Planet” were able to assure the governance of the world on the way of an international cooperation founded on the principle: nobody left behind.

As we know - and that is its weakness, its no accountability and its no capacity to deliver - the G20 is a jumble of liberal democracies and totalitarian states, of free market systems and countries where the State capitalism prevails, of economies coming from years and years of industrial development and productive systems of new industrialisation, of countries engaged in the respect of the Sustainable Development Goals and States very far to the objective of a free carbon society.

All the debates made around the bedside of the international financial system

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have been without tangible results, the planet is paying the non-respect of the step-by-step implementation of the Agenda 2030 and between the Twenties (the permanent nineteen countries, the European Union as such and the permanent observers as the International Monetary Fund, the World Bank, the OECD and UN) nobody has had the idea to put again on the agenda the question of the reform of the UN Security Council – stopped for years – following the initiative launched by the group *Uniting for Consensus* or, thinking big, supporting the campaign for a United Nations Parliamentary Assembly.

Between the very minimalist proposals, the group suggests to avoid the obstacle of the permanent seats enhancing the representativity of the regional groups, giving to Africa the largest number of temporary seats, acknowledging to Asia the highest percentage increase and doubling the seats of Latin America and Eastern Europe.

If we would relaunch a global governance founded on the principle of multilateralism – left during the four years of the *Trumpism* but not only by Donald Trump – by rotating it around the “three P” (*People, Planet and Prosperity*) it is necessary to start with the main objective: nobody left behind.

In view of the G20, the think-tank are diffusing a globe where the members of the network are indicated by different colours following their status as full members, permanent observers or special guests.

What strikes a geopolitical eye is the lack of the fifty-five States of the African Union – with the only exception of South Africa – in a Summit and in a great number of preparatory and parallel meetings where the participants will discuss about the social effect of digitalization, the climate change, the sustainable energy sources, the international trade, the transnational terrorism and *last but not least* the fight against pandemics “*in view of a sustainable, fair and resilient recovery*”.

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Each point of the G20 Agenda contains a question, that will remain without answers from the leaders, concerning all the five continents and related to the epochal phenomenon of the migration movements bound to grow because of the effects of the climate change, the social consequences of the pandemics and the international trade more and more less fair and supportive.

The question of the world governance of the migration movements shouldn't be separated to the human dignity right which is trampled in many countries of the G20, starting with Saudi Arabia that has hosted the meeting of the leaders last November.

We want remember thus right when a part of the world is celebrating the international day of the life in the cities dedicated to the abolition of the death penalty "legally" binding in at least one third of the G20 members.

All these arguments confirm the necessity and the urgency to invite the African Union as such because the participation of the South Africa leader, acting president of the African Union, isn't enough.

Finally, we submit to the Italian government the proposal to offer, as an essential reading, to then leaders and the delegations a copy of the Manifesto of Ventotene written during the winter of 1941 in this Mediterranean Island.

The Manifesto exists in all the EU twenty-four official languages and also in Arabic but it could be easily translated in Chinese, Russian, Japanese, Turkish and in the main African languages.

It could be useful to raise the attention of the participants to the fact that the recovery of the multilateralism implies a merciless battle against the absolute sovereignty, a debate on the modern crisis of our civilization which is the first chapter of the Manifesto and the acknowledge that the European Federation is the only warranty for a peaceful cooperation *"in view of a far future when it could*

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*be possible the political unity of the planet”.*

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The agreement reached by the European Council on 21 July 2020 has been widely reported as a major breakthrough in European integration. Rightly so. For the first time, a very large bond issuance (to the tune of 750 billion euros) by the European Union will partly finance budgetary expenses and direct transfers to the Member States and sectors most in need of assistance due to the coronavirus pandemic. In addition, on paper at least, the EU leaders agreed on the need to introduce pan-European forms of taxation (on digital platforms, CO<sub>2</sub> emissions, even financial transactions), beyond a modest tax on non-recycled plastic, in order to finance the repayment of this long-dated common debt issuance. Crucially, the Recovery Plan is supposed to be spent through the 2021-2027 Multiannual Financial Framework (MFF), whose own resources ceiling is increased up to 2 per cent of the EU's GNI. This also means the European Parliament is involved in the



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scheme. The combined size of MFF and the Next Generation EU fund reaches 1,8 billion euros.

The so-called 'frugal' Member States have for sure extracted a high price in exchange for their support for the deal. This includes higher budget rebates, a bizarre intergovernmental mechanism to interfere in the disbursements of the Recovery Plan, and lower ambition for the ordinary long- term budget. Still many analysts consider the deal as a Hamiltonian moment, if not in its details (the EU is not mutualising past debts), certainly in its spirit (the creation of a federal bond, which further down the road will require a common treasury and taxation).

Furthermore, the European Parliament was able to improve the European Council position, by securing 15 additional billion euros for strategic programs in the ordinary multiannual budget (Erasmus, Horizon 2020, Creative Europe, EU4Health, etc.), and a strong rule of law conditionality for the disbursement of the funds.

There are however two difficulties. One is methodological, the other political. On 16th November 2020, the Hungarian and Polish governments vetoed the MFF and the Own Resources Decision, unhappy with the rule of law regulation, endorsed by a qualified majority in Council. Indeed, articles 311 and 312 of the TFEU require unanimity for both decisions, something that itself calls for a reform of the Lisbon Treaty sooner than later.

There are two alternatives to this veto. Council could give in to Orban, watering down the rule of law conditionality. This will provoke a major institutional showdown with the European Parliament, which could in turn deny the consent to the proposed MFF. Alternatively, the EU institutions could try to circumvent the spurious position of two national governments by an intelligent use of the Lisbon Treaty provisions. In particular, the way forward implies decoupling the Recovery Plan from the proposed MFF.

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First, article 122.2 of the TFEU allows Council to provide financial assistance to Member States under extraordinary circumstances and in accordance to some conditions (which are not specified). Two elements are noteworthy about this article. First, it does not say that Council will act by unanimity. Thus, qualified majority voting (QMV) applies as a rule (see article 16.3 TEU, and article 238 TFEU). Second, it does not specify the type of financial assistance. Thus, grants could be also given under this legal basis, as well as loans. Therefore, a bond-issuance can be agreed by QMV, and the capital raised can be spent in either loans or grants.

Therefore, a regulation could be adopted under article 122.2 TFEU by QMV in order to issue bonds and channel the funds through an ad-hoc fund, or through current EU programs under the prorogued MFF (article 312.4 TFEU). This additional spending is not necessarily in contradiction with the balanced budget rule (article 310.1 third paragraph TFEU), because the borrowed funds are considered “other revenue”/“external assigned revenue” under article 311 TFEU. Therefore, technically speaking debt is not an own resource and in principle would not be restricted by the prorogued MFF ceiling for spending. Indeed, the current MFF proposal did not raise the spending ceiling, just the own resources ceiling in order to comply with article 310.4 TFEU (overall respect for the own resources ceiling when adopting acts such incurring debt). This could be solved by way of requiring guarantees from Member States, as it has been done with article 11 of the SURE Regulation. This can also be complemented by setting up a guarantee fund with the profits coming from the EIB, once fulfilled the reserve fund (article 22, EIB Statutes), a decision that could be taken by a majority of the Board of Governors (article 8, EIB Statutes).

Additionally, given the fact that article 122 TFEU is to be applied under extraordinary circumstances, this in itself could allow for its deployment as a stand-alone tool, exceptionally over and above MFF own resources ceilings.

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Secondly, it is important to bear in mind that the adoption of the annual budget, under article 314 TFEU does not require unanimous agreement by Council. It is should possible to adopt an annual budget under a prorogued MFF, provided that article 312.4 TFEU is not too narrowly interpreted. It does say that MFF ceilings are extended alongside other dispositions corresponding to the last year of the said MFF, but it does not explicitly forbid adopting a new budget.

Then, both the bond issuance, and the 2021 annual budget that should start channelling the funds of the Recovery Plan could be adopted by QMV. Even the Recovery and Resilience Instrument, which is meant to provide the governance framework for the spending of most of the funds, is a regulation to be adopted as well under the co-decision procedure. Alternatively, if a budget for 2021 is not adopted for reasons connected with legal uncertainty, funds could still be disbursed from a fund set up on the basis of article 122.2 of TFEU.

So in reality Orban does not hold all the cards, provided Council is prepared to isolate him as his Polish colleague by way of approving, ideally, these regulations (bonds, budget, and governance) by QMV, as provided by the Lisbon Treaty. Of course the difficulty is that this alternative plan lacks the credibility provided by an increased own resources ceiling. However, the new basket of own resources is not in place, either. Under the current plan, the debt is not supposed to start redemption until the completion of the investments, while bonds are meant to be long-dated, to be repaid over thirty years. There is ample time to agree on the additional revenue sources later on.

Still, whether there is in the end an agreement of sorts or a circumvention of the two national vetoes as proposed, there is a larger political issue regarding the viability, accountability and democratic character of the whole scheme. Technically speaking, this is a temporary financial union (the €750 billion bond issuance is supposed to be a one-off), to be backed by a fiscal union that is to be introduced later on.

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Making the deal a permanent feature of the Union's economic policymaking toolbox will not, in the event, be an easy task. The 'frugals', even though they have been weakened by the UK's departure, will nonetheless aggressively oppose any new bond emissions that are not linked to the pandemic. As for the fiscal dimension, the traditional attachment of nation states governments to the taxation prerogative it is well known. In addition, as any new EU funding sources of fiscal nature need to be approved by unanimity in the Council, as well as in 27 national parliaments, we are set for a tortuous process at best, or, at worst, for yet another dead end on EU taxation. In the event, national contributions to the budget would need to increase if new pan-European taxes are not agreed upon. Still, optimists bet on the fact that now that the Euro has a safe asset of sorts, it will almost be unavoidable to further issue debt beyond 2023, especially in a context of continued economic difficulties, while Member States may at the same time prefer to agree to some kind of EU taxation rather than increasing their direct national contributions to the EU budget.

Be that as may be, we must not forget that this ad-hoc financial union agreed by the European Council is mostly an intergovernmental affair. Under the current Lisbon Treaty rules, it is the Council, which solely approves debt issuance (Article 122), and the financial resources of the Union (Article 311). The European Parliament plays no role in the first instance, and it is only consulted in the second, although its agreement is required for the spending side of the budget. The anomaly of a Parliament that plays no real role in the revenue side of the budget (be it in the form of debt or taxes), but that has a deciding role in its expenditures, is a well-known feature of the EU's institutional framework. This political and constitutional imbalance becomes even more acute if debt becomes a standard financing tool and revenue is rebalanced away from direct contributions made from the national budgets towards pan-European taxes that will fall on cross-border activities (digital platforms, and CO2 emissions for example), and therefore on specific EU companies operating in the single market. It is hard to see why these taxes would be approved by national parliaments, when they are

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not indeed national forms of taxation, with no role whatsoever for the European Parliament.

Therefore, not only is a stronger European Parliament necessary, but also a more transparent, democratic and efficient Council, working hand in hand with the elected chamber, in a bicameral system. A fuller, more federal political union is thus the logical counterpart of the nascent financial and fiscal union. The Conference on the Future of Europe therefore is more relevant than ever.



The European Union is at a crucial turning point.

The concrete implementation of the Recovery Plan, presented by the European Commission to save and relaunch a sustainable European economy, is bringing out conflicts on a decisive point. Should European financial resources allocated to national governments be linked to respect for the rule of law or not?

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Some governments, such as those of Poland and Hungary, oppose this conditionality.

Important political values are at stake.

A trilogue has developed under the European Union procedure between the Parliament, the Commission and the Presidency of the European Council. An interim agreement was reached on 5 November.

For the outcome of trilogue on the Rule of law conditionality pls. see

[https://multimedia.europarl.europa.eu/it/outcome-of-rule-of-law-conditionality-trilogues\\_20201105-1130-SPECIAL-PRESSER\\_vd](https://multimedia.europarl.europa.eu/it/outcome-of-rule-of-law-conditionality-trilogues_20201105-1130-SPECIAL-PRESSER_vd)

On October 20. in the European Parliament, 100 members from 18 EU countries had launched a high-profile Appeal with concrete proposals.

Below you can find the full text of the call with the list of signatories.

*Startseite*

## **The Appeal**

The European Union has insufficient resources to effectively combat misuse of EU funds and violations of the rule of law in the member states. The situation in countries like Hungary and Poland clearly shows that the EU must finally act. The EU Commission and the European Parliament have put forward good proposals for a rule of law mechanism. At the EU summit in July, the member states greatly weakened this mechanism, and the German government was finally gutted for the search for compromise between the EU Council, the EU Commission and the EU Parliament. A qualified majority is required for sanctions, the criteria were limited

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to serious corruption, all others were deleted. In addition, the Council, i.e. unanimity, should deal with sanctions.

For the next round of the trialogue procedure today we have launched this appeal, which over 100 parliamentarians from 19 countries have signed.

The European Union is founded on the shared values of democracy, the rule of law and fundamental human rights. This is enshrined in Article 2 of the Treaty of the EU.

The German Presidency of the Council of the European Union is currently facing a tremendous challenge: It must find a compromise on the next EU budget and the Next Generation EU recovery plan. Both dossiers would have a real added value for European citizens, since they will help to overcome the economic consequences of the Corona crisis and hopefully kick-start Europe's transformation into an ecological and social market economy.

At the same time, negotiations are led to protect the European Budget and our financial interests against breaches of the Rule of Law.

We strongly regret the fact that the European Council significantly weakened the efforts of the Commission and Parliament to uphold the rule of law framework for the MFF and the Next Generation EU Fund. We therefore call on the German Presidency and all Member State governments to stand up for an EU conditionality on the rule of law that deserves this name and to agree to

- A clear and decisive process for determining adherence to the rule of law. This should take the form of a delegated decision by the Commission that can only be reversed by a qualified majority vote in the Council.
- A scope that includes violations of the principles of the rule of law and the independence of the judiciary, at a bare minimum.
- Take out the option of Member countries being able to postpone an

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agreement to a future Council meeting.

- A system that allows European citizens, local authorities and companies to access EU funds directly, should their government's behavior prevent them from receiving them through regular channels. No European citizen should be punished for their government's failure to respect and uphold the founding principles of our Union.

This call to action is highly urgent. What we are facing is an unprecedented and escalating crisis of our shared values, which threatens the very survival of the EU as a project of democracy and peace. The rule of law is no matter of East versus West, no matter of frugals versus friends of cohesion. European democracy is a matter concerning all European citizens - let's protect our shared values!

*Dr. Franziska Brantner, European policy spokesperson of the Green Party in the Bundestag*

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The Conference on the future of Europe should be convened by the end of the year. The President of the European Commission, Ursula von der Leyen, announced it in her inaugural speech and the European Parliament recently urged that it be convened before the end of 2020 (Resolution of 18/6/20). Yet some unexpected obstacles risk drastically reducing the significance of the Conference.

At present, the main issue is the European Parliament's proposal to entrust the presidency of the Conference to Guy Verhofstadt, who for years has been fighting for a democratic and federal reform of the Union. Various members of the European Council have flatly opposed this proposal. An article in *Politico* (De La Baume, 13/10) reports: "Verhofstadt was considered a nonstarter by a number of governments in the Council", due to the fact that he is seen as a "champion of European federalism". The hunt for alternative candidates is currently under way.

We can only surmise that in Europe it is legitimate to be a liberal, democratic, socialist, green or sovereignist, just as long as you are not a federalist. Yet if this

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view prevails, the Conference will be dead in the water. Obstructing the European Parliament without a serious reason for doing so is an insult to European democracy: the European Parliament is the only body legitimized by the popular vote, something that the Council lacks. Nevertheless, sovereignist governments are intent on drastically narrowing the political horizons of the debate. They want to rule out any discussion of European federalism in advance, despite the fact that President Macron, when proposing the Conference, called for a debate “without taboos”. Evidently, however, some issues remain taboo.

Yet European democracy and European federalism are two sides of the same coin. In this dramatic year, with the pandemic, many significant proposals for European citizens drafted by the Commission and Parliament have been blocked by means of the unanimity vote in the Council (the dispute over the budget is a case in point): a small minority of countries and population circumventing the vast majority. It is the tyranny of the minority. If we want to get past this impasse, we need to look to the lessons of the federalist thought (which dates back to Immanuel Kant and Alexander Hamilton), because the principles of federalism can help disentangle the problem.

It should nonetheless be noted that looking to existing federal states is of little help. To date, federalism has regarded sovereign nation states (such as the USA, Canada, India, Australia, Switzerland, etc.) thus becoming – in contemporary political culture – a mechanism for administrative decentralization. In Europe, on the contrary, the founding fathers designed the first institutions, the ECSC and the European Economic Community (EEC), as a “work in progress” towards a federal union. The Schuman Declaration is very clear on this. To overcome the current obstacles it would be useful to take a step towards supranational federalism. European federalism will be different from all existing federal systems. Not all competences and powers of national governments will have to be assigned to Europe, contrary to what sovereignist forces assert, including those governments that reject the ideals of the very institutions they benefit from. The

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criterion of the vertical division of powers applies to policies for trade, taxation, security, defence, the environment, health etc.

I do not intend to enter into a debate that will have to be conducted by the representatives of European citizens in the Conference. I merely wish to note that the Union faces internal and international challenges that call for urgent structural reforms. Issues like immigration, European security, the atomic rearmament of the major powers and the proliferation of weapons of mass destruction, the development of the new information technologies, environmental disasters and pandemics cannot be tackled on a national level, but require a capacity for European action, at the federal level.

Without policies befitting the importance of the issues at stake, there will be no cohesion between European citizens and the Union will remain weak. A political community cannot exist without common ideals, a shared identity and effective policies. Some indications for how to proceed in this direction have already been provided by Josep Borrell in his message to the United Nations: "The EU Stands with the UN" (Project Syndicate, Sept. 22). Borrell asserts: "A world governed by agreed rules is the very basis of our shared security, freedoms, and prosperity. A rule-based international order makes states secure, keeps people free and companies willing to invest, and ensures that the Earth's environment is protected. The alternative - *might makes right* - has been tried for most of human history, and its horrific record is the best argument for the multilateral system. Unfortunately, it is increasingly being tried again, with the results visible to all. This is not the approach of the EU. We will continue to believe in and support the UN".

The EU's role in the world will be one of the crucial themes of the Conference on the future of Europe. Today's young people are concerned about the future of life on our planet and are asking government leaders for a bolder policies to combat the pollution of the biosphere and construct a peaceful world. The EU has no



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future if the planet has no future.

The politicians in the European Council who want to exclude the prospect of a democratic and supranational Europe from the debate should explain to young people why it is better to remain closeted inside national borders.



### ***A three-part common framework to reflect on the future of NATO***

The crises in Ukraine (2014) and Belarus (2020) show that the problem of security and peace in Europe needs a new solution, going beyond the old constraints of the Cold War. The three short chapters presented here draw on Mikhail Gorbachev's 1987 proposal for a Common European Home, a kind of "European Reykjavik". Of course, today's problems are different, but the main content of the original proposal should be reconsidered, given that the European Union is working towards creating a European defence force, and international relations between the US, Russia and China are deteriorating. The President of the European Commission, Ursula von der Leyen, in the *State of the Union*

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*Address* (Sept. 16<sup>th</sup>, 2020) said: “We are ready to build a New Transatlantic Agenda”.

We hope that our proposal helps the Atlantic leaders find a path towards a more peaceful world.

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### ***1. From the Atlantic Pact to the Common European Home***

NATO is a working, regional, collective security organization. The United Nations is a universal, collective security organization, but, because of the veto and great power disunity, it does not work well in providing the promised international peace and security. The North Atlantic Treaty and its military organization NATO was founded in 1949, following the Communist Party coup in Czechoslovakia, as a defensive alliance of Western democracies to meet further aggressive advances of the Soviet Union. Its Article 5 provides that, in case of armed attack against any member, all pledge to come to its assistance, including by use of armed force. Art. 4 provides for consultations. Art. 2 requires members to protect free institutions (democracy) and to encourage an open international trading regime (capitalism in practice).

When it was founded, the first secretary general, Lord Ismay, explained in a famous remark, “The purpose of NATO is to keep the Russians *out*, the Americans *in*, and the Germans *down*.” When the Cold War ended in 1989, NATO was not disbanded, as Realist theorists Kenneth Waltz and John Mearsheimer thought it would, since it had lost an enemy, but it was preserved as a regional collective security organization to keep the peace in Europe. It has since grown to 30 members, including all of the former (Communist) Warsaw pact states. Since 1994, it has included a friendly accession process, the Partnership for Peace (PfP), which at one point included 41 other states, including Russia. The PfP has been at the heart of recent controversy.

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After the last major expansion of NATO in 2004, which admitted six Eastern European states and the three Baltic ones, Russia began effective resistance to further expansion, as of Georgia and Ukraine. They accepted Membership Action Plans at the NATO Bucharest summit in 2008, which was the last straw. Moldova and Belarus were next threatened. Vladimir Putin, who came to power in 2000, saw NATO expansion as hostile to Russia in a pattern of American claims to “victory” in the Cold War, unilateral military expansion in the Middle East, and hegemonic promotion of economic globalisation. In 2005, he warned his country in terms of high geopolitics: “First and foremost it is worth acknowledging that the demise of the Soviet Union was the greatest geopolitical catastrophe of the century.” He plainly set out to restore some semblance of the old Union. He suppressed Georgia in a civil war, began the modernization of the Russian armed forces, and stopped Ukraine by the annexation of Crimea (with its naval port at Sevastopol) and by covert war in the eastern provinces of the Donbas, scenes of the greatest tank battles of World War II. The upshot is that the transition to a liberal security area in Eastern Europe has stalled, the PfP is no longer seen as a step toward membership in NATO, and Russia is resurgent. NATO itself is at a crossroads.

The West, of course, has seen the rectification of borders by armed force as aggression, and has imposed severe sanctions. But Putin justified himself with sovereign right in a speech of 18 March 2014, saying that taking back Crimea was popular in the Russian-settled parts of eastern Ukraine and was no different from the West’s seizure of Kosovo from Serbia in 1999. Curiously, Mikhail Gorbachev, in his book, *The New Russia* (2016), saw the action in Crimea as defensive in the same way:

In the West, by which I mean the ruling elites of the United States and the countries of NATO, everything was blamed on Russia. Everywhere they saw the “long arm of Moscow” but this conflict was not Russia’s making. It has its roots within Ukraine itself.

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I see the main, deep cause of the Ukrainian events in the disruption of Perestroika and the mindless, reckless “disbanding” of the USSR.... I proposed [in the spirit of the Common European Home] negotiations with Ukraine on an economic union, a common defence and foreign policy. In the course of such negotiations, we could have resolved all the thorny questions, like the status of Sevastopol and Crimea, and the Black Sea Fleet....

The Ukrainian crisis has provoked a serious and dangerous deterioration of relations between Russia and the West.... Economic sanctions against Russia have been introduced, cooperation in many areas greatly restricted, and decisions are being taken to strengthen the military presence of NATO in countries adjacent to Russia. All this is very reminiscent of the Cold War era (pp. 377-79).

This hostile situation is the context for statesmanship of a high order in Eastern Europe. The leadership could come from the countries that recently have been trying to develop a more understanding and respectful attitude toward Russia in order to end the sanctions and establish a system of common security: Italy, Hungary, Greece, Slovakia, Crete, and most notably, France. An opportunity presents itself in the rather strange decline of the United States of America. The “wars for freedom,” nation-building, and expansion of democracy, particularly in Afghanistan and Iraq, which have been foreign policy since 2002, following the terrorist attacks on the World Trade Towers and the Pentagon on 9/11, have ended in weariness and frustration, as recounted by historian Andrew Bacevich, as in *The Age of Illusions: How America Squandered Its Cold War Victory* (2020).

Bacevich writes from the perspective of a retired Army colonel who, like all soldiers, has seen the realities of the application of high policy on the ground. The Persian Gulf War of 1990-91, because it was mandated by the U.N. Security Council and drew coalition partners from many Arab and Muslim states, successfully halted Iraqi aggression. But not so the wars in Bosnia, Kosovo,

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Afghanistan, and Iraq after 2003, fought alone, with Britain, or with reluctant NATO partners. When Trump was elected president, he asked, “Why are we fighting other peoples’ wars?” Despite his occasional belligerence (as toward North Korea), Trump actually has tried to stay out of wars, even to dismiss the usual American suspicion of Russia. He attacks the liberal elite among policy makers and diplomats as part of the “swamp” he has promised to drain. He has asked if NATO is not “obsolete.” His objection seems to be mostly to members’ failed burden-sharing, while overlooking NATO’s continuing value in securing the peace in Europe.

Hence, there seems to be an opening for new European leadership. America under Trump is withdrawing into isolationism and protectionism. Britain is continuing its decline from the days of the British Empire into Brexit. That leaves the bigger players in NATO: Poland, most fearful of Russian return; Germany, cautious after the perilous process of reunification; and France, most secure in the EU and beginning, under President Macron, to exert leadership in NATO.

Where is Putin taking Russia? He is not preparing for World War III, as used to be feared from the old Soviet Union. He is on record at aiming to reestablish a wider federation of Eurasian states, in order to restore Russia as a great power on a par with the Group of 7. This might be done by persuasion, as in Gorbachev’s draft union treaty of 1991. The worst process would be use of force and civil war, as in 1917-24. Putin has shown the way with the establishment of his Eurasian Customs Union, which is a value-neutral, collective security and nonaggression pact (no democracy and human rights as in the Helsinki accords). It seems to be envisaged as an equal contender to the European Union. He speaks of it as a community “from Vancouver to Vladivostok.” Gorbachev’s vision of a Common European Home would be more modestly confined to historic Europe, understood broadly to include Peter the Great’s Russia.

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The international situation is very perilous. The disarmament treaties that ended the Cold War have been abandoned or are moribund: INF, CFE, START-3, CTB, ABM.... The international organizations established after WWII to inaugurate a liberal world order, starting with the United Nations and its specialized agencies, are increasingly neglected. Global problems beyond the capacity of sovereign states to solve alone — like global warming, destruction of biodiversity, cutting down the rainforests, neglect of human rights, failed states, and lack of regulation of the hyperconnected global economy — are not being confronted by our political establishments.

In the case of Eastern Europe, the OSCE is too weak and the EU too slow to build the necessary regional security. NATO is all that is left. A settlement there would seem to mean gradual acceptance of the return of Crimea to Russia, the protection of ethnic Russians in the Donbas, and recognition of Russia's security interests in its "near abroad." If respect for Russia could be reestablished, Putin might abandon some of his nastier assertions of power, such as his party United Russia's or the GRU's poisoning of democratic opponent Aleksei Navalny. What we wish to avoid is Putin's return to a coercive Eurasian union reminiscent of the USSR arrayed against NATO in a new Cold War. Putin must understand, if he wants to restore Western friendliness, that fair elections are the standard for *demokratizatsia*, as Gorbachev often says.

The West's proper conduct toward Russia, I think, is not to prepare for a new Cold War. The next step, if we can abandon labelling Russia an aggressor and cease the punitive sanctions, is to invite Russia into NATO — transformed into a Eurasian collective security system stretching to China. The transformation of NATO into an inclusive, working collective security system in Eurasia is where new leadership is needed. It is still possible that there will be a revival of U.S. international leadership if Trump is returned to civilian life in the November 2020 elections.

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And looming beyond is China.

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## ***2. Towards a new world order: European defence and the “Common European Home”***

Raymond Aron, at one time, pointed out that with the nuclear weapon, the statement of von Clausewitz, according to which the war is the policy continued by other means, was no longer true. He observed that «the threat of war, including thermonuclear war, belongs to the normal climate of international relations, but war itself would in itself be mostly contrary to rationality, putting an end to politics instead of continuing it». Michael Gorbachev, when he said that, with the «entrance into the nuclear age, humanity has lost its immortality», took an extra step. This is the profound meaning of the epochal turning point that was made with the military use of nuclear energy. This is why it is necessary to reverse the dangerous trend that the failure to renew the expiring treaties on the reduction or limitation of nuclear weapons, risks setting in motion, bringing the European continent back thirty years and, with the transition from bipolarism to the most insecure multipolarism, the whole world.

The way forward, in order to try to control the growing insecurity, has been indicated by France, the country which, for historical reasons and tradition, is probably the most sensitive to changes in the balance of power in Europe and in the world. French President Emmanuel Macron, in his address to the French ambassadors at the end of August 2019, and in his subsequent address to the Parliamentary Assembly of the Council of Europe, said, respectively, that «we need to build a new architecture of trust and security in Europe, because the European continent will never be stable, will never be secure, if we do not pacify and clarify our relations with Russia» and that: «We have forged here on the scale of a continent and despite all the headwinds, a common architecture in the name of the great European brotherhood that Victor Hugo dreamed of, with the will to

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build the common European home, evoked by Mikhail Gorbachev before this assembly in 1989». Macron then recovered Gorbachev's proposal for a "Common European Home" and the Mitterrand's proposal for a European confederation that includes Russia too.

The Common European Home, proposed by Gorbachev in July 1989 and that of Mitterrand for a European confederation, advanced at the end of the same year, had, among others, the following objectives: collective safety and maximum disarmament (nuclear, chemical and conventional); peaceful resolution of conflicts; and economic and trade cooperation. As we know, these proposals were not implemented, because of the American but also European responsibility, at the time which has not yet — as at present — a foreign policy extended to security and defence.

Macron has in fact realized what could be the way forward for a constructive policy in the field of security with Russia, but it will be necessary to broaden the framework of reference, well aware that we are moving on a field still largely uncertain and where we will need deep imagination and reflection in order to find viable solutions, even if difficult. Below, are only a few ideas that take into account the crisis that the Atlantic Alliance is going through and its military organization, NATO.

From an institutional point of view, we are not starting from scratch and, once again, President Macron has indicated the direction that can be taken. As already mentioned before, speaking during the ceremony for the 70th anniversary of the foundation of the Council of Europe (CoE), he identified in the latter the institution through which the relationship with Russia can be consolidated. The CoE is an international organisation, established in 1949, whose objective is to defend human rights, democracy and the rule of law in Europe; and it has a Parliamentary Assembly of which Russia is also a member, while the United States and Canada are part of it as observers. It can therefore be the starting



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point for starting a cooperative relationship with Russia. However, it is not a sufficient instrument, because security policy is not one of its aims.

It will therefore be necessary to activate another body, the Organisation for Security and Cooperation in Europe (OSCE), which, among its aims, has a security policy on the entire Eurasian continent and invites to take part, in addition to the member countries of the Council, the United States, Canada and the Euro-Asian republics. The OSCE, however, is limited by being a *sui generis* body, as the USA has always refused to make it the subject of a treaty.

In order to strengthen its role, it will be necessary to consolidate it by means of a treaty, in order to provide it with a minimum of formal common institutions: since the tasks of the OSCE and the CoE in some way overlap and in another way are complementary, the way forward could be to unify them, in order to make the OSCE the subject of a treaty. This last point, which is particularly important for relations with the United States, cannot be overemphasized. Indeed, the US has never had the experience of sharing common institutions with other countries, such as a supranational parliamentary assembly.

The policy of US involvement must not only be pursued and strengthened: in order to consolidate the continent's security, it will also require that the Atlantic Alliance becomes, in the future, part of the institution that will be created by the amalgamation of the OSCE and the CoE. In the meantime, it will be necessary to investigate through which policy the new institution could start, albeit gradually, a collaborative relationship that is in the interests of the EU and Russia.

Once again, it is the speech of Macron to the French ambassadors to indicate the way, when it has observed that the Russian political-economic system is weak («this great power which invests a lot on its armaments, which makes us so afraid, has the gross domestic product of Spain, has a declining demography and an aging country, and a growing political tension»). This observation seems to explain the meaning of the intervention of the Russian Ambassador in Brussels,

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Vladimir Chizhov, who, during a conference on foreign policy, organized by the Körber Stiftung in Berlin, in November 2018, proposed the establishment of a “economic zone” between the EU and the Euro-Asian Customs Union. This perspective was recently (2020) relaunched by the Russian Foreign Minister, Sergei Lavrov, during an interview with an Italian newspaper.

The content of this economic area, which should be implemented, has not been specified, but the proposal should be taken seriously. It goes without saying that progress in this area will have to be developed in the light of Macron’s warning («moving forward on this path, once again without naivety»), and thus progress only in parallel with progress in the field of security. It would only remain to emphasize that the Euro-Russian reconciliation would be equivalent, for the Euro-Asian continent, to what the Franco-German reconciliation represented for Europe: the pacification of the entire Euro-Asian continent.

The crucial point, however, is yet another, because the objective of stable continental security cannot be based on traditional treaties or alliances, but innovative solutions will have to be found. A contribution in this direction could come from the EU itself. The latter consists of historically consolidated national States which will hardly give up what is one of the symbols, if not the main symbol, of sovereignty, namely the armed forces. One possible solution to enable the EU to advance towards the establishment of a European defence and, at the same time, to maintain the national armed forces, is the American defence model that the Australian constitutionalist, Kenneth Wheare, called the “dual army” which for a long time characterized the American military structure. Wheare, in fact, pointed out that the American federation is the only one to have adopted a defense system based on a small federal army alongside State militias (now the National Guard). This system lasted, essentially, until 1916, on the eve of their entry into World War I, when the US began to reform its defense system, strengthening the federal level.

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The EU, if it wants to make progress towards a federal defence system, could follow the same path, providing the EU with a minimum military structure to conduct peace-keeping and peace-enforcing operations outside its borders, let NATO continue to ensure the defence of the European continent. This type of defence would come close to Gorbachev's idea of a "defensive defence", as the EU military apparatus would be based on a minimal structure at the federal level alongside the national armed forces whose tasks would be, in fact, mainly oriented to territorial defence.

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### ***3. A Peaceful Cooperation Area from Vancouver to Vladivostok. A Proposal***

According to various political pundits, the European Union (EU) is not an international power: it is viewed as having a limited influence on peace and war, free trade and protectionism, with the main decisions taken outside Europe.

This common point of view is not correct. While it is true that the European Union is not a military power, Europe is the continent in which the interests of the USA and Russia collide, and the EU has the responsibility, and the power, to bring about a radical change. The US and Russia are stockpiling nuclear weapons and forcing people to choose between these two hegemonic areas. The Ukraine and Belarus crises are a case in point. Both countries are members of the Eastern Partnership (EaP), an economic cooperation pact proposed by the EU in 2009, and both also belong to the Eurasian Economic Union (EEU), an economic cooperation pact proposed by Russia in 2010, which in 2011 became the Eurasian Customs Union (ECU). As the EU member states in Central Europe also belong to NATO, the dilemma of these two countries is that they are crucial to both Russian security and European security. They cannot be independent.

The reason for this disconcerting arrangement dates back to the end of

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the Cold War and German unification. After the successful Reykjavik deal (1986) with Reagan for nuclear disarmament, in 1987, Mikhail Gorbachev proposed in Prague and Warsaw a “kind of European Reykjavik” to complete the process of disarmament between the two superpowers. Gorbachev viewed the “Common European Home”, as a kind of union among European countries, USSR included, to promote security, peace and economic prosperity. Later on, when the question of German reunification was on the table in 1990, he asked Chancellor Kohl to ensure: “the non-extension of NATO military structure onto East German territory”. The dissolution of the USSR generated a new, completely different scenario. Many central European countries, former members of the Warsaw Pact, requested to join the EU and NATO, meaning that its eastern borders now reached up to the area viewed by Russia as vital for its security.

NATO is a military alliance that was created to contain the expansion of Soviet Union in Europe. But today there is a different issue at stake. Not only has NATO expanded eastward (originally it had 12 members, now it has 30), but it is also making inroads outside of Europe: by “contact countries” including Australia, New Zealand, Japan and South Korea, with the aim of containing China. Lastly, since 1999 it has intervened in Kosovo, Afghanistan, Iraq, Libya and Syria. Its Secretary General, Jan Stoltenberg, proposes turning it into a global alliance. So what does the future hold for the military organisation created to contain the USSR?

In order to answer this question we have to consider three hurdles. The first is the global trend towards increasing conflicts among great powers, mainly the USA, Russia and China. The Trump administration showed that the US government could refuse to accept the multilateral rules established after the end of World War II. The USA is a declining superpower, which is unwilling to relinquish its leading role in the world (“Make America Great Again”), and is interested in forging bilateral deals with other countries in which it can prevail; China is an emerging power, less powerful in military terms than the USA, but its

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equal technologically and economically; Russia boasts enormous military and nuclear power inherited from the USSR. These three major powers share a common ideology: nationalism. A scenario of increasing international disorder is the consequence of conflicts among them. For instance, India is following the same nationalist approach as China to international relations in Asia and the Middle East. Peace is impossible due to the conflicting interests of the major powers.

The second concern is the NATO policy of eastward expansion, and Russia's reaction to this. In 1994, the European countries asked NATO to adopt an inclusive approach towards Russia. At the time Russia's economy was in crisis and the democratic regime was under siege by the Communist party and the ultra-nationalist party. NATO proposed the Partnership for Peace (PfP): a forum to discuss issues of cooperation, which would include Russia as a non-member country. But there was a clear difficulty. The NATO policy of enlargement eastward was viewed by Russia's government as a threat to the security of Russia. An American opponent of expansion, George Kennan, the father of containment policy, said that pushing ahead with expansion: "would inflame the nationalistic, anti-Western, and militaristic tendencies in Russian opinion, ... have an adverse effect on the development of Russian democracy, and restore the atmosphere of the Cold War to East-West relations" (Menon R., Ruger W., "NATO enlargement and US grand strategy", *International Politics*, 2020: 374). This view was based on a profound knowledge of Russia's history and people. Nonetheless, some member of the former Warsaw Pact asked for NATO's protection and President Clinton continued to push for enlargement. Russia's President Yeltsin, told President Clinton that Russia would regard expansion "as a sort of neo-isolation of our country in diametric opposition to its natural admission into the Euro-Atlantic space.... We have a different approach, one that leads to a pan-European security system". But Clinton refused to acknowledge the Russian stance. When Yeltsin requested for the Baltic states not to be incorporated into NATO, Clinton's answer was "No, I will not make that commitment.... All you are doing is moving the line

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of the divide between East and West...farther to the east" (Menon, Ruger, *ibid.*, 382). The EU was not able to provide military security for its members and Clinton's desire for hegemony caused him to make an historical error: enlarging NATO without the agreement of Russia's government.

This short summary of the history of NATO enlargement shows how it is now impossible to make progress in Europe towards a peaceful agreement between NATO member countries and Russia, without admitting Russia as a full member of the club, with the same duties and rights as all the other members (US included).

The third hurdle is the EU's defence policy. According to the Maastricht Treaty (1992), the EU was to have a European defence force. But no serious action was taken to fulfill this. As a result, the European countries that were former members of the Warsaw Pact asked to join NATO as soon as possible. The EU's ineptitude is one of the causes of the current controversies and protests in Europe. So will the EU equip itself with its own defence force? The above chapter (No 2) provides some answers, including in terms of its structure. But the big question is: how much money and personnel should be allocated to an EU defence force? Will the EU become a great power or will it remain forever dependent on US protection? EU defence should not need to have a huge budget (within NATO or outside NATO), if we consider that Russia's total military expenditure is only a little higher than France's. There is also another aspect to take into account: the difference in budget required in a scenario in which two major powers, Russia and the US, two rival great powers, are stockpiling nuclear armaments, increasing the risk of war, and alternatively, in a continent in which all countries have entered into a security pact for peaceful cooperation, a "kind of European Reykjavik", as Gorbachev proposed.

Here, I will try to show that this second scenario is possible. We do not need a revolution to resolve the European logjam of conflicts, interests and

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ambitions, just the full implementation of the NATO statute. Article 2 states: “The Parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them”. Russia should be invited to join the club, as part of a plan to extend NATO’s mission, at present mainly military in nature, in order to create an area of peaceful economic cooperation from Vancouver to Vladivostok. This can be achieved by forging agreements such as the European Economic Area (EEA), which includes the EU countries, Iceland, Liechtenstein and Norway, or along the lines of the Swiss agreement with the EU: Switzerland is not a member of the EEA, but it is part of the single European market. Of course, I am aware that these models cannot be adopted as they are today, because the US, Canada, Russia, Ukraine, Belarus and the other members of the Eurasian Customs Union will certainly demand changes. Nevertheless, the core of the proposal is clear: it would be a new Treaty implementing the four freedoms which were the foundation stone of European integration: freedom of movement of goods, people, services and capital. Of course, the New Atlantic Treaty should not be simply a replica of the EU: the most important goal is to start a process to abolish national borders, in so far as they divide people and produce conflicts among national governments.

The reform of NATO proposed here will not only change the international relationships between states from Vancouver to Vladivostok, but will change the entire landscape of international relations, especially with China, showing that the path towards peaceful, prosperous coexistence is not just a dream.

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## ***Did it go as we wanted, what are the benefits and how to continue?***

CHARTER OF FUNDAMENTAL RIGHTS OF THE EUROPEAN UNION<sup>[1]</sup>:

*“The peoples of Europe, in creating an ever closer union among them, are resolved to share a peaceful future based on common values.”*

What do you think, in pursuing an association treaty with Ukraine, has Europe respected this fundamental right to live in peace? If not, is it only Russia’s fault, or could the EU have prevented this war?

After the fall of the Berlin Wall, November 1989, conflicts surfaced all over the world that had remained covered until then. In 2014, an armed conflict began around the EU-Ukraine Association Treaty, 110 km from the western border of the Russian Federation, 1500 kilometers east of the EU territory. A consequence



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of the EU neighborhood policy in the case of the Ukraine is more than 10,000 deaths. This included 298 passengers and crew members of flight MH17, a KLM flight operated by Malaysia Airlines from Amsterdam to Kuala Lumpur. It is only after this war accident that national air traffic control in Kiev closes the airspace. In addition to the dead, there are tens of thousands of injured and disabled, more than a million persons fled. Angela Merkel's first reaction to the bad news was shocked: "We would not have expected to see something like this again in Europe". But the coming decade might see a similar bloody transformation in Belorussia following pro-democracy driven militant action backed by increasing Western political, diplomatic and military and civil society support.

The EU has long and short-term planning departments. They must have known about the likelihood of a civil war, or they did not do a solid and reliable job. The EU supported the demonstration on Maidan Square and strengthened the Association Treaty including military support and cooperation in the area of homeland security and justice.

The armed conflict in South-Eastern Ukraine is an example of a failed implementation of the United Nations Charter. Failure by the North American United States federation, the Eurasian Russian Federation, the old colonial European states, the Ukrainian government and its divided population. Failure by a series of regional organizations as allowed by Chapter VIII of the UN Charter: the European Union, Council of Europe, OSCE, NATO, CIS. Fortunately, as aspiring world citizens, we still have the Red Cross, which actually provides humanitarian aid where governments fail.

Following the success of 'EuroMaidan' the civil war predicted by experts broke out. The lives of many people in Ukraine have been devastated, immediate living conditions degraded. That cannot be according to European values, is not in line with the lessons learned from the series of German - French wars. That should be done better.

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Does the Association Treaty contribute to the development of Ukraine?

The current Ukrainian population lives in three areas: (A) Western Ukraine with Kiev as the undisputed capital, (B) Donbass and Luhansk region and (C) Crimea. A roadmap to peace is not provided by the EU Association Treaty, but crucial to a healthy development and a dignified existence of the citizens.

The EU contributes to positive development through its stabilizing influence, reduction of corruption and slow transformation of a corrupt oligarchy into an integer democracy. The US continues military support, such as the lethal anti-tank weapon “Javelin” in 2018 for Western Ukraine, more than a commercial arms supply<sup>[2]</sup>.

Kiev and Brussels will normally take further steps in economic, judicial, police and military cooperation. Implementation of the current treaty helps to meet the Copenhagen obligations. EU standards are introduced into legislation and practice. The deep free trade area will make Ukraine more independent from Russia. There is also massive financial support. “Since 2014, the EU has contributed EUR 18 billion in loans and guarantees. We have opened our borders and enabled free trade. Ukraine’s exports have increased. That’s more than the US has done. ” says EU advisor Elmar Brok<sup>[3]</sup>. For the time being, these advantages apply only to area A.

Area C, Crimea, may present a similar situation to what existed between East and West Germany for decades. Military intervention could trigger a major regional war, taking that risk is unwise. We have seen in Syria what the Russian military was able to do after its Mediterranean base was attacked. There will be more casualties than the one killed commander in the Russian action of 2014 to take back the Crimean peninsula given away in the 1950s. Also, the large Russian-minded majority in Crimea will not change their mind and suddenly opt for the Kiev based regime. Why not respect the right of the majority in Crimea the

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country of belonging? Do we want to award nationalists and maintain an outdated Westphalian state system in a globalized interdependent world?

Area B, Eastern Ukraine, should be embedded in a new constitution as part of a sustainable peace settlement. This is a necessary step, the current, not really respected, armistice is an insufficiently stable basis to enable healthy and dignified development. Alternatively the Ukraine risks to split into a sort of Belgium, the Netherlands and Luxembourg of Eastern-Europe. If not ongoing low intensity conflict for years to come, devastating living conditions in that European region.

What does Ukraine offer the EU?

The major advantage for the EU is the expansion of the European area ruled from the capital, Brussels. Kharkov's weapons factories no longer produce for the Russians. The trading volume is increasing in size and also in quality. Police and judicial cooperation offers more possibilities for the investigation and trial of offenders. Security cooperation covers partially the NATO military requirements. In theory, a corrupt oligarchic society turns into an incorrupt transparent democratic society with a constitutional state incorporating the European values.

In 2014, a greater area of freedom, security and justice was not created while preserving human dignity. Initially, the development of all of the Ukraine has fallen back. The main negative outcome is the unstable situation in Eastern Ukraine and the deterioration in relations with the EU's large neighboring country, Russia. What went wrong is not only due to Russia, EU actions have also played a role in this. Current and future generations have to learn how to better implement the decision of the peoples of Europe to share a peaceful future based on common values by establishing an ever closer union<sup>[4]</sup>. As an emerging power, the European Union can draw on a rich history. The experience of the reconciliation between Germany and France in the post-WW II reconstruction

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phase, including a large civil society of organizations such as Pax Christi and ARTE, can inspire community building on the Eurasian continent . Let us hope the peace negotiations in the Normandy format, with the help of France and Germany, succeed in the short term and are not stalled nor sabotaged by a Ukraine-US refusal to a peaceful settlement of the dispute. This will be good for all citizens, from the Pacific Ocean to the Ural mountains.

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<sup>[1]</sup> the Charter of Fundamental Rights of the European Union

OJ C 326, 26.10.2012, p. 391-407, first sentence proclaimed

<https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:C:2012:326:FULL&from=EN>

[ 2 ]

<https://www.atlanticcouncil.org/blogs/ukrainealert/lethal-weapons-to-ukraine-a-primer/>

<sup>[ 3 ]</sup> See:

<https://www.promoteukraine.org/elmar-brok-who-has-done-for-ukraine-more-than-the-eu/>

<sup>[4]</sup> Similar to the original text in the Charter of Fundamental Rights of the European Union

OJ C 326, 26.10.2012, p. 391-407

<https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:C2012/326/02&from=EN>

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## **A turning point for Europe and the World**

The coronavirus outbreak has shaken Europe and the whole world. It has put a stop to our most important freedoms, changing our way of living and working. Our healthcare systems have been put under severe stress and, most sadly, people have lost their loved ones.

The public health challenge quickly became the most drastic world economic crisis of the last century. Given the uncertainty of the situation, it is hard to provide accurate estimates of the economic slowdown we are facing. Anyway, the calculations of the European Commission suggest that overall the EU economy should shrink by more than 7 per cent in 2020, reaching even 16% in case of a

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second wave and extended new lockdown measures.

As expected, the European Central Bank (ECB) has been the first one to provide support to the economy. Under the Pandemic Emergency Purchase Programme (PEPP) initiated in March 2020, which is added to the older QE programme still in place, the ECB is due to buy 1.600 billion Euros in public and private sector debt in 2020, equivalent to 14 per cent of the Eurozone last year's GDP. Moreover, the ECB is not buying assets in line with its Capital Key, giving instead more support to the countries hit hardest by the pandemic. The intervention of the ECB aims to provide the necessary liquidity and guarantee a smooth functioning of the financial markets.

Secondly, the European governments stepped in. The EU encouraged national supports by allowing the full flexibility in the budgetary and State aid rules. The European Commission took the decision to suspend the Stability and Growth Pact, based on the provisions included in the Treaties. As a result, the intervention has been of an unprecedented scale. This is surely welcome, since this package of measures provided vital support to workers, businesses and in general to the Member States' economies in the first phase of the emergency.

Yet it is also a cause of concern since it risks to deepen the differences between countries and to provoke an unbalanced recovery. The main problem is that the economic crises has been symmetric in the sense that everyone has been affected, but it has been asymmetric in the magnitude of the resulting economic slowdown. In particular, the economies relying mainly on services, tourism, exports and composed in large part by small businesses have been hit much harder than others. Worryingly, this description fits best with the countries having higher government debt ratios, such as Italy, Spain and France. As a consequence, the fiscal stimulus provided by those relatively less affected by the pandemic (like Germany) are greater than the ones put in place by the countries facing the most severe economic damage.

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In this context, it is absolutely necessary a European response. Acting at European level is the only way to ensure a fair and balanced recovery. The European Commission has proved to be well aware of this, and in May has officially proposed a new Recovery Plan for Europe, including an instrument called Next Generation EU, within a revamped EU budget. First of all, it can be argued that a larger EU budget is needed regardless of the current economic situation. Indeed, a large centralised federal budget is required for a currency union to work properly. In any case, history has shown that often dramatic events are needed to spur a decisive political action.

### **Next Generation EU**

Specifically, the Next Generation EU proposed by the European Commission amounted to €750 billion – €500 billion in grants and €250 billion in loans to Member States. The European Council on July 21st decided to change the amounts to €390 billion in grants and €360 billion in loans, leaving the total to €750 billion. The funds will be borrowed on the financial markets and will be repaid starting from 2028 until 2058 through future EU budgets. In addition to the Next Generation EU, the Commission has proposed a revamped 2021-2027 EU budget, amounting nearly to €1.100 billion, which has been confirmed by the European Council.

The agreement reached by the national governments is a sort of watered-down compromise with respect to the initial proposal of the Commission, due to the unanimous approval required to pass the Plan (the perfect example of fake democracy that needs to be urgently reviewed). Nevertheless, this represents a historic moment for the European integration and its way of addressing common challenges. As a matter of fact, the crucial aspects of the plan have been confirmed by the Council: common European debt and new own resources. Now the hope is that the Member States will propose a set of credible reforms to be implemented with the upcoming funds.

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For a detailed description of the actual programs proposed, the reader can refer to the documents released by the European Commission (the documents can be reached at the following links. “Europe’s moment: Repair and Prepare for the Next Generation”:

<https://ec.europa.eu/info/sites/info/files/communication-europe-moment-repair-prepare-next-generation.pdf>. “The EU budget powering the recovery plan for Europe”:

[https://ec.europa.eu/info/sites/info/files/about\\_the\\_european\\_commission/eu\\_budget/1\\_en\\_act\\_part1\\_v9.pdf](https://ec.europa.eu/info/sites/info/files/about_the_european_commission/eu_budget/1_en_act_part1_v9.pdf)). Hereby a few considerations are made about the plan trying to highlight the most relevant aspects, which in fact make the European Union one of the global player most ready to affirm the liberal values and aware of the modern, global challenges we all are facing.

Firstly, it is worth noticing that the Plan includes both short term support and medium to long term investments. Indeed, although supporting workers and businesses is very important, it is not enough to provide a stable economic recovery. The immediate support has been provided mainly via the SURE program (temporary Support to mitigate Unemployment Risks in an Emergency), as well as by the measures taken by the Member States. These kinds of interventions are essentials to protect the livelihood of people in the short run.

But the Next Generation EU also recognises that a proper economic recovery requires new jobs to be created. Indeed, there are only two ways in which the economy can grow: by increasing the number of workers (more precisely, the total amount of time spent at work) and/or by increasing the output per worker (the output per unit of time). The EU acknowledges this by proposing a number of new investments capable of creating new jobs. In particular, it focuses on the European Green Deal and on the Digital Single Market. It is also important to bear in mind that this intention is not new, but it was already included in the program of the previous Commission (the Juncker Commission), resulting from the discussion between the Commission itself and the European Parliament. The



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pandemic has thus accelerated and made more urgent something already thought by the previous Commission.

It makes sense for the EU to focus mainly on these two topics. The two of them represent a shared interest of the whole European people, so a common coordination at federal level is welcomed. Moreover, such policies look at the present and at the future – and can serve as a guide for the world in two areas where a global response would be preferable. Preserving our planet is a duty we have for the next generation (or we can say even for ourselves, given the most pessimistic climate-change forecasts). And a deeper Digital Single Market is needed for a fairer and easier business environment, now and especially in the coming years.

The tech industry is object of a fierce debate. As of now, it seems hard to state that the tech giants represent a problem, since the users enjoy free and innovative services. But the point is that, first of all, such services are not really free, since users give up their data which are extremely valuable – a lot more than they can imagine. And secondly, the dominance of a few firms in an under regulated environment prevents smaller businesses to grow and compete. In the long term, the lack of competition inevitably results in less innovation, less grow, and more inequality. Thus, the Commission stresses the importance of striking a balance between the free market and the need to prevent the abuse of market power and to ensure a fair market place for potential competitors. The importance of a Data Act is also highlighted, to handle data sharing across Member States and sector.

Another relevant aspect is the need to retrain workers. The pandemic has accelerated a trend that was already in place, in which some sectors of the economy are losing importance at the expense of others. As a consequence, workers need to acquire new skills and to adapt to the new jobs. It is somewhat understandable that this process can create fear, especially among the low skilled

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workers. But this is precisely how the economies should work. Moving towards more productive industries boosts the economic growth; in turn, this improves the living standard over time. It is up to the politics creating the conditions to minimise the short term costs of this transition. The “Skills Agenda for Europe” (another point of the Recovery Plan) will address this very important topic.

The issue of public debt is also very telling. The common eurosceptic argument among the southern States goes that the European Union is obsessed by the public debt and is against it in any circumstance. If this can be the case for the group of countries that defined themselves as “frugal”, the Commission has instead shown a different approach. As said, the Next Generation EU will be financed on the financial markets, i.e. by public European debt. Here the Commission is making a crucial point. First of all, the deficit spending is useful to help the economies to escape from a recession; this has been immediately clear when the Escape Clause has been triggered. And secondly, the public debt is desirable when it is used to finance long term, structural investments – as the ones proposed in the Next Generation EU. As a matter of fact, the benefits of the plan will be released over the years, so it makes sense to pay for them over time as well. In other words, the payers and the beneficiaries of the investments tend to be the same. On the contrary, the EU opposes the deficit spending for financing current expenditures, since the next generations are left with the burden of more debt but with no benefits at all.

A special consideration has to be done for the implications of the European bonds, whose guarantor will be the EU budget that needs to be expanded accordingly. A first way to do this would be an enlargement of the contributions by the Member States. But this is not a desirable method because basically it would translate in an increase of the national debts. The Commission has therefore proposed a number of new own resources, such as a Carbon Tax based on a Carbon Border Adjustment Mechanism, a new Digital Tax building on the work done by the OECD, and the proceeds from fighting the fiscal dumping and money laundering.

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Fortunately, such proposals have been accepted by the European Council. It stated that “the Union will over the coming years work towards reforming the own resources system and introduce new own resources”. As examples, it cited a carbon border adjustment mechanism, a digital levy and a Financial Transaction Tax (the final document released by the Council can be found here: <https://www.consilium.europa.eu/media/45109/210720-euco-final-conclusions-en.pdf>). This aspect of the plan is truly revolutionary: it marks the beginning of a genuinely fiscal capacity of the European Union, which is added and works in parallel to the one of the Member States. This has been possible by taking advantage of the “implicit” federal powers of the EU, without reforming the Treaties. Some observers are finally referring to this as the European “Hamiltonian moment”.

Last but not least, Europe will pursue a model of “open strategic autonomy”. By this term, the European Commission means to reduce dependency and strengthen security of supply in areas like pharmaceutical or raw materials. Far from having a self-sufficient spirit in general, the Commission wants instead to create an environment more protected by future shocks in certain key areas. In order to make this clear, the word “open” stands to indicate the commitment to open and fair trade, as well as to international cooperation and common solutions for shared global questions. One of the most misguided concept of the sovranist parties is that international trade and in general international affairs are zero-sum games in which one country can gain only at the expense of another. This is just wrong. Everyone has to gain from fair trade and international cooperation. The Commission is thus pushing for a stronger Europe in the world, capable of leading the global response working closely with the international organisations, as it is actually already doing. The necessity of addressing certain issues at global level is arising, and the EU is in fact stressing the need of a global sovereignty in such key areas.

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## ***European Parliament calls for paradigm shift***

Ahead of the presentation of the European Commission's "Chemicals Strategy for Sustainability", announced for October 2020, the European Parliament was called on July 10 for a tightening of chemicals policy and concrete ban on toxic chemicals in a resolution initiated by the Greens/EFA Group. Endocrine disruptors in cosmetics, toys and food packaging and long-lasting fluorochemicals in coatings on drinking cups, pans and clothing have to be banned. The text has been adopted with a large majority of Christian Democrats, Socialists, Liberals,

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Greens and Leftists, and they called on the European Commission to tighten the European chemicals law REACH. The same standards should apply to new products and products made from recycled materials, so that no dangerous chemicals are kept in the circular economy.

The protection of human health and nature as well as the planetary boundaries are at the core of today's resolution. In the future, all forms of pollution should be prevented or reduced to a level that is no longer harmful to human health and the environment. The upcoming EU's Chemicals Strategy for Sustainability should also take into account resource depletion, energy use in chemical manufacturing, health, social and environmental standards, and human rights along the supply chain.

The European Parliament's resolution shows the way forward for the European chemical industry. The chemical sector should not fare like other key European industries. The best products must continue to be produced in Europe. The ambitious, sustainable chemicals policy demanded by the European Parliament is therefore an opportunity for industry to invest in future-proof and crisis-proof technologies.

Toxic chemicals are suspected of causing cancer, can adversely affect human development, reduce the effects of vaccinations, increase the risk of infection and cholesterol and lead to a reduced birth weight of children. Parliament's resolution comes just a few days after the German Environment Agency warned of more and more chemicals in the blood of children. For every fifth child, long-term damage from exposure to the extremely long-lived group of per- and polyfluorinated alkyl substances ("PFAS") cannot be excluded. The parliament today calls for the use of all 4700 PFAS substances to be banned in all non-essential applications.

As part of the European Green Deal, the European Commission announced in December 2019 its ambition of a "zero pollution ambition for a toxic-free environment". An important element of this ambition will be the "Chemicals

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Strategy for Sustainability”, which is to be presented by the Commission in October 2020.

MEP **Sven Giegold**, financial and economic policy spokesperson of the Greens/EFA group commented:

*“We are calling for nothing less than a paradigm shift in the chemical industry. To protect our health and the environment, we have to start the ecological transition the chemical industry. We need a zero tolerance strategy for toxic chemicals in Europe. A strengthening of the European chemicals law is necessary. It must finally also regulate polymers such as plastic. It is unacceptable for environmentally harmful plastic to fall through the grid. The European chemicals law must become more efficient. Instead of laboriously banning one dangerous substance after the next, we should tackle substance groups as a whole. In this way, we could prevent toxic endocrine disruptors such as Bisphenol-A from being replaced by the almost identical Bisphenol-F or S. The Commission must now present criteria for sustainable chemicals and set concrete targets for reducing energy and resource consumption.*

*The precautionary principle and the protection of people and the environment must guide the European chemicals strategy. The zero pollution ambition benefits a toxic-free environment and healthy consumers. Sustainable chemical policy not only protects our health. It is also an opportunity for the European chemical industry to invest in future-proof and crisis-proof technologies. Clean chemistry “Made in Europe” makes European industry future-proof. Only a sustainable industry can remain competitive and secure the 1.2 million jobs in the European chemical industry.*

*Europe has the best chemicals legislation in the world. In practice, however, enforcement is lacking. Member States must finally implement REACH consistently to help the best products penetrate the market ”*

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**Link to the text of the resolution** (no major amendments have been adopted): [https://www.europarl.europa.eu/doceo/document/B-9-2020-0222\\_EN.pdf](https://www.europarl.europa.eu/doceo/document/B-9-2020-0222_EN.pdf)