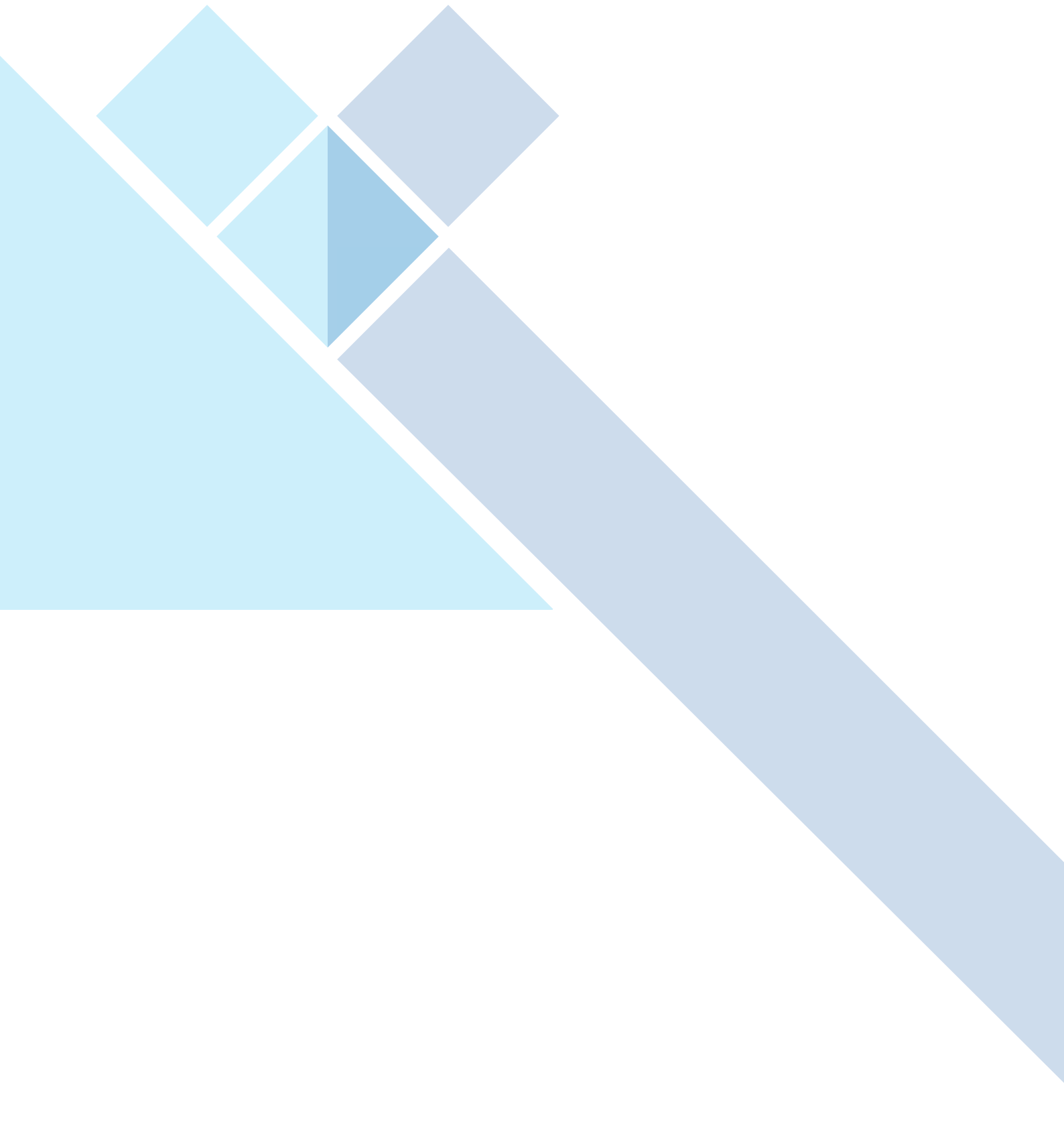
# THE FUTURE OF THE EUROPEAN UNION
# ECR STATEMENT

European Conservatives and Reformists Group



# THE ECR'S VISION OF A REFORMED EUROPEAN UNION

The year of the sixtieth anniversary of the signature of the Treaty of Rome should provoke a profound reflection on the current state of Europe leading to a fundamental review of the functioning of the European Union.

For the first few decades of its existence, the European Communities that became the European Union achieved much of inestimable value. The growing sense of solidarity meant that centuries of rivalry and hostility, which all too often led to armed conflict, were overcome and a new Europe was established, protected by the NATO alliance that combined the strength of the United States and Canada and that of the nations of Europe. Economic prosperity was underpinned by eliminating barriers to trade and creating the world's largest single market. The division between east and west Europe was ended. Cooperation in economic development and democratic support played its part in building a continent-wide area of unprecedented freedom and stability.

But the European Union has overreached. It has become too centralised, too ambitious, and too out of touch with ordinary citizens. The drive for 'an ever closer union' is no longer an expression of hope for European citizens to work together; it has become a dogma to justify the creation of a centralised state with less and less regard for the rights of its member states and should therefore be rejected. The European Union has repeatedly failed to address the major economic, security, migration, and social crises of our time. The eurozone crisis has exacerbated Europe's divisions and economic weakness and Europe's competitiveness continues to decline in the global marketplace. As recent elections and referendums have demonstrated, public opinion throughout the member states is increasingly sceptical of the Union's value, of its objectives, and its ability to deliver. This has culminated in one member state taking the unprecedented step of withdrawing from the European Union. The long-term future of the European Union has never been so uncertain.

The European Union must therefore change; the status quo is not an option. Some argue that the solution is more Europe; others that the solution is no Europe. But the ECR believes that neither federalist fundamentalists nor anti-European abolitionists offer real solutions to the problems faced by Europe today.

The ECR instead offers a bold alternative vision of a reformed European Union as a community of nations cooperating in shared confederal institutions in areas where they have some common interests that can best be advanced by working together. A new institutional settlement should therefore be sought that recognises that the Union's democratic legitimacy derives principally from its member states alone and that the concepts of subsidiarity, proportionality and conferral must be fully respected.

Only this eurorealist agenda offered by the ECR will achieve positive results and meet the expectations of the peoples of Europe for a European Union which does less but does it better.

# 6 THE ECR'S SIX OBJECTIVES FOR REFORM

To avoid the dangers of an over-centralised Europe or a totally fragmented Europe, the ECR renews its call for a substantial reform of the European Union in line with the aspirations originally articulated in its founding Prague Declaration to which it remains committed.

The reform process should achieve the following six objectives that will enable the European Union to re-connect with the peoples of its member states and be worthy once again of their trust and respect:

1. **The European Union must respect its member states:** the democratic building blocks of the European Union are its member states and so intergovernmentalism, rather than the 'community method', has the greater democratic legitimacy. National institutions and representatives of the member states in the European Council and Council of Ministers should set the political agenda for the European Union. The misguided and dangerous model of a centralised federal European state should be rejected in favour of looser, confederal association of nation states. Politically the EU needs to pay far greater attention to the opinions of the citizens of the member states. For example, in seeking to improve the security and cohesion of the member states, the EU needs to demonstrate much more sensitivity to widespread concerns about uncontrolled migration.

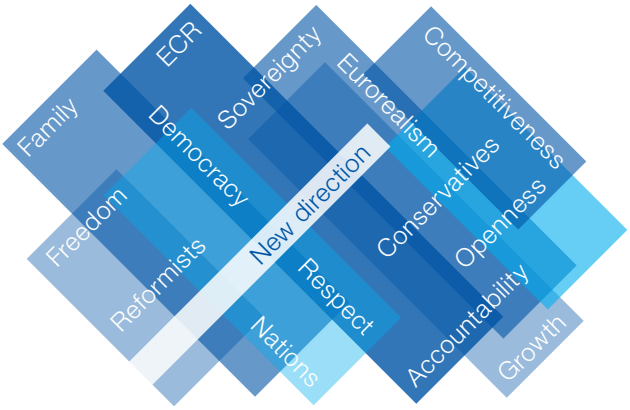
2. **The European Union should be focused on areas where it can add value:** the European Union should only act where action by member states alone or by other organisations is manifestly ineffective or inefficient. European action should be determined pragmatically, not by reference to an ideological commitment to integration. The hidden agenda of a European superstate must be categorically abandoned.

3. **The European Union should be more flexible:** a 'one size fits all' approach to all policy areas is creating a bureaucratic and over-centralised Europe. This approach must be abandoned.

4. **The European Union should be more democratically accountable:** the institutions of the European Union are becoming too remote from the people and too close to each other.

5. **The European Union should deliver value for money:** the EU budget must be more efficient, with tighter budget controls and more effective targeting of its resources. The EU budget needs better democratic accountability. The member states are closer to the citizens and should have greater control over EU spending for programmes and policy in those areas that are not listed as "core competencies".

6. **The European Union should be outward-looking:** it should welcome and actively encourage close economic and strategic ties with friends and allies, particularly those that are close neighbours.



# HOW TO SET A NEW COURSE FOR THE EUROPEAN UNION

## The European Union needs a 21st century 'Luxembourg Compromise' and ultimately treaty change

This reform agenda must be driven by the governments of the member states who should seize the opportunity to address the widespread malaise that afflicts the Union. The member states should draw up a comprehensive reform package to fulfil these objectives.

In due course the treaties of the Union themselves will need to be revised and modernised. The model of 'an ever closer union' with the consequence of ever more centralisation must be formally revoked.

Treaty change takes time however and it urgent that action be taken. It is essential the member states re-assert their control and leadership immediately. In the 1960's when a member state was uneasy about the way national rights were being handled a political agreement, the 'Luxembourg Compromise', was reached to ensure no member state felt its national interests were being overridden. To ensure reform can be proceed as quickly as possible to meet the urgent challenges we face, the comprehensive reform package should be agreed as a formal and solemn Declaration, making clear that the Council of Ministers and European Council will act if, and only if, the principles of the Declaration have been followed..

# IMPLEMENTING THE ECR'S REFORM AGENDA

## The European Union must respect its member states:

- The European Commission should not be seen as future 'government' for Europe. It should focus on performing the duties of an executive administration and civil service, dedicated to implementing decisions taken by political authorities.
- The role of national and regional parliaments must be enhanced. When more than half of the Union's national parliaments invoke the 'red card' procedure, the legislative proposal should be abandoned without question. National Parliaments should be able to act jointly to challenge and propose Union policies. The European Commission should not be seen as future 'government' for Europe. It should focus on performing the duties of an executive administration and civil service, dedicated to implementing decisions taken by political authorities.
- In exercising its right of initiative in areas of shared competence, the Commission should only act on the basis of thorough impact assessments and should publish more 'white papers' to stimulate more consultation and debate ahead of formal proposals. It should seek formal authority from the member states to the principle of proposing a legislative initiative in advance.


- The voting systems within the European institutions must be balanced so that none are too big and none too powerful.
- The President of the European Commission should be proposed and appointed by the Council.
- The right of member states to exercise control over who may enter and leave their countries should be recognised.
- The European Court of Justice should take a minimalist interpretation of its role tightly focused on judicial interpretation not political activism. Specifically it should primarily consider issues arising from areas of core competence. In areas of shared competence, its role should be limited to issues specifically indicated in the programme.
- The idea of a euro-area 'Finance Secretary', with the mission of "harmonising" taxation policies, must be opposed as this would in effect imprison its member states in a 'fiscal cage'. On the contrary, whilst agreeing some basic rules to avoid aggressive tax avoidance, Europe needs fair fiscal competition between member states and territories.

## The European Union should be focused on areas where it can add value:

- The principle of conferral must be reasserted. A review of EU competences should result in a 'competence catalogue' that define more clearly where it can act and, as a consequence, where it cannot. Member states should be able to reverse the conferral of competences.
- Core competences would include trade, the single market, competition policy and some aspects of environmental, energy, transport, regional, agricultural and fisheries policies.
- A clear distinction should be made between areas of exclusive competence for the European Union and areas of shared competence where the role of the Union should be limited to supporting the work of its member states.

## The European Union should be more flexible:

- Previous commitments should be reviewed in the light of new circumstances. Citizens need to be able to address policy issues according to the needs of changing times. Member states should therefore have the right both to give and to take back responsibility for programmes that are not explicitly recognised as core competencies required by the Treaties.
- The EU should allow for more flexible cooperation amongst different groups of member states within the Union according to their needs in those areas that are not listed as core competencies
- If a member state can no longer meet economically or politically its obligations under a common policy, there is a serious risk to the rule of law unless there are clear rules to enable a member state to withdraw from that common policy. Such rules should exist, for example, in the case of the single currency. Mechanisms should be developed to ensure existing members can withdraw in good order for the sake of themselves and the other members of the eurozone.It should be explicitly recognised that the European Union is a multi-currency union. Previous commitments to join the single currency should be amended so that membership becomes voluntary.

## The European Union should be more democratically accountable:

- The Commission should be held to account by the Council and the Parliament with effective procedures for robust debate between MEPs and the Commission.
- The European Parliament should focus on greater scrutiny of the Commission.
- Representatives of national and regional parliaments should play a greater role in European policy-making and be able to work together to propose and challenge Union policies.
- Never again should the presidents of supposedly independent institutions pre-cook major joint initiatives and never again should inter-institutional coalitions be allowed to form cartels that stifle debate, limit democratic choice and reduce accountability.

## The European Union should deliver value for money:

- The EU budget should be spent better. All programmes, including those in third countries, should be better targeted and subject to tight financial controls. The MFF ceilings agreed in 2013 should be maintained.
- The issue of sorting out the expenditure of the EU budget is so great that a dedicated Commissioner for Budgetary Control, replacing one of the existing Commissioners, is required to work with member states to resolve questions of fraud and mismanagement.
- The Court of Auditors should be reformed so as to serve as both an audit and an evaluations authority. It should be responsible for undertaking or commissioning independent evaluations of Union programmes.
- Member states should support effective economic development in order to reduce disparities between EU member states and regions.
- The budget should seek to ensure that equality for all member states is respected and should be modernised to meet the challenges of the future.
- Scrutiny and accountability must be enhanced to oversee effectively the use of funds put at the Union's disposal.
- Having only one seat for the European Parliament would achieve considerable budgetary savings;
- The European Commission and the bureaucracies of the other European institutions should be reduced in size.

## The European Union should be outward looking:

- The European Union should seek open and generous agreements with its international partners. It should seek agreements that promote cooperation and free trade.
- The EU should positively encourage close economic ties with friends and allies, particularly in its near neighbourhood, including with countries that do not wish to be members. It should seek strategic partnerships with key neighbours.
- It should seek close cooperation in specific programmes, such as research, with allies.
- The European Union should acknowledge that NATO has been the main guarantor of European security since its creation and remains so today. Member states should boost their defence capabilities, achieving the target of 2% of GDP expenditure on defence.

**The ECR believes that we can reform the EU so that is better respects and delivers for the interests of each member state, not the interests of a European superstate.**

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