

INVENTING THE EUROPEAN POLICIES OF TOMORROW

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Mouvement Européen
France

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D'INVENTER

The European Movement - France and Notre Europe - Jacques Delors Institute hosted the second debate in a cycle entitled "Right of inventory - Right to invent: 60 years of Europe, successes worth keeping - solutions yet to be invented" in Rouen on 25 January 2014, allowing the audience to address the following issue: "The challenges facing the European Union: globalisation, democracy, employment and the euro".

The European Movement - France and Notre Europe - Institut Jacques Delors held the second debate in the cycle entitled "Right of inventory - Right to invent: 60 years of Europe, success worth keeping, solutions yet to be invent" in Rouen on 25 January 2014, allowing the audience to address the following issues: "The challenges facing the European Union: globalisation, democracy, employment and the euro".

Nicolas Mayer-Rossignol, president of the Haute-Normandie Region, opened the debate with a few initial remarks, raising the issue of the European Union's (EU) appropriation by its citizens to ensure that the upcoming European elections do not turn into a rejection of the EU. Catherine Morin-Desailly, vice-president of the European Movement - France, introduced the debate with a presentation of the "Right of Inventory - Right to invent" cycle for which citizen debates will be held in the eight French European Parliament constituencies, addressing four major issues: democracy, employment, the euro and globalisation. They also mentioned the financial, economic and social crisis in the EU, a challenge which definitely needs to be addressed because European citizens, especially its younger generation, who are going to vote on 25 May 2014, do not understand it. So it is necessary to draw up an inventory of the European Union today, in order to invent the post-crisis European Union of tomorrow.

The dialogue, moderated by Thomas Ferenczi, a former Brussels correspondent for *Le Monde*, continued with the audience and the following guests, who were divided around two panels:

What solutions to address the crisis in jobs and the euro?

With the following speakers:

- Marcel Grignard, deputy secretary general of the CFDT
- Nicolas Mayer-Rossignol, president of the Haute-Normandie Region
- Gilles Pargneaux, member of the European Parliament
- Patrick Schreiner, representative of the Lower Saxony DGB

What kind of citizenship in a globalised world?

With the following speakers:

- Elmire Af Geijerstam, consultant, former representative of Swedish cities and regions with the EU
- Karima Delli, member of the European Parliament
- Claude Taleb, vice-president of the Haute-Normandie Region

Pierre Menguy, professor in Le Havre University, ended the debates by pointing to the need to breathe new ideas into the European construction by connecting it to people's reality and replacing it in a longer-term perspective.



1. Globalisation and citizenship: breathing new ideas into the European dream in order to assert itself towards the other world powers

The upcoming European elections on 25 May 2014 are, in the eyes of all the speakers, a major challenge which needs to be faced in view of the predictable rise of extreme positions and of absenteeism in France. To do this, it is necessary to engage a national and Europe-wide debate on the EU, comparable to the broad debate which took place before the referendum on the Constitutional Treaty in France back in 2005.

But over and above the European elections, the financial, economic and social crisis has revealed weaknesses in the current EU, which make it even more urgent to hold the debate in order to breathe new ideas into the European dream; to explain the EU, its project and its institutions; and to define a new European economic model in view of growing incomprehension among citizens (Catherine Morin-Desailly).

This, because the citizens are really disenchanted, even disappointed, by the EU and public authorities in general (Claude Taleb).

The EU does not make people dream any more. Even though it is everywhere locally, it is difficult to embody it, particularly for young people (Nicolas Mayer-Rossignol).

Charles Fritau stressed that for citizens to adopt a political project, it is necessary first and foremost for them to understand it and to subscribe to it, and for that to happen we need to base our arguments on the original reason behind the European construction: namely peace, which is forgotten (Catherine Morin-Desailly). There is a generation gap over this crucial notion because it is part of values now taken for granted, alongside democracy, gender equality, human rights and the social and environmental model amongst other things.

Seen from the outside, the EU is an area of peace and progress (Nicolas Mayer-Rossignol); some foreign elites such as Brazilian lawyers train in France, in Germany and in other EU countries (Pierre Menguy). Lampedusa receives immigrants risking their lives to come to our continent (Claude Taleb). In Ukraine, some of the country's citizens are fighting for

European values and the barricades are made up of European flags (Karima Delli). They are fighting for the symbolic values of freedom, peace and European democracy; they are totally unconcerned with the economic aspect.

Seen from the inside, citizens are detached from the EU, which has been built without them. Moreover, while the duty to remember is of primary importance, young people today are facing their "new economic, financial, social and environmental wars" (Karima Delli). Concerning rising poverty, the deterioration in working conditions in the light of the increase in short-term employment, or the depletion of natural resources and a deteriorating environment, the EU is not showing sufficient concern for such issues. Priority is given to finance instead of addressing budgetary, economic and social issues in a single block. "What purpose does the EU serve in terms of GDP, of growth, if at the same time inequalities continue to increase, if a part of its workers are poor and if young people have no hope?" (Marcel Grignard).

It is crucial to reconcile the EU's internal and external images in order to keep defending the European model and its ideals in the face of the emerging (and emerged) forces that are the continent-sized countries such as the United States, China, India or Brazil. The EU has a real role to play in the globalisation process where such problems as water, but also certain solutions, are supranational (Karima Delli). Yet globalisation is a concept which not all of the EU member states address in the same way. While it is disputed in France, Sweden, for instance, sees it as a major opportunity offering new markets and new opportunities (Elmire Af Geijerstam). Member states need to form a team to defend the European spirit, they must not be in competition with each other or defend their national interests. This internal cooperation is of the utmost importance in the handling of negotiations such as those currently taking place with the United States over a Transatlantic Trade and Investment Partnership. Arnold Puech d'Alissac, president of the FDSEA Seine-Maritime¹, raised the issue of solutions concerning concrete issues as agriculture in the face of globalisation and its powers, or during negotiations with the United States, Canada, the Mercosur, and soon also with China, without losing citizens' confidence.

Citizen remobilisation partly requires the development of Europe-wide policies, tools and projects. Citizens, or consumers as Annie Drouet, the president

of French consumers group UFC Que Choisir Rouen, pointed out, are the EU's primary strength. Recently such tools as the European citizen initiative have been developed, but they are insufficient. Where policies are concerned, the Common Agricultural Policy (CAP) is one of the rare common and old policies since it was introduced with the Treaty of Rome in 1957 and it benefits from a substantial budget (Claude Taleb). In the upcoming period from 2014 to 2020, France is to be assigned 56 billion euro. In the Haute-Normandie Region, agriculture accounts for 66% of land and the milk industry employs 2,500 people. So it is a particularly important European policy for France and its regions. But while it is necessary to defend it, it needs to evolve and to be regionalised in order to respond more effectively to local needs, and it also needs to become greener. Other policies with a direct impact on the citizens deserve equal attention as the CAP, for instance Erasmus+ which forges young people's European spirit (Karima Delli). This programme must be extended to apprentices and it must allow more young people to build up experience in Europe. Social and fiscal harmonisation supported by an attendant budget is necessary, as is a policy of access to culture for all, including the disabled, as Murielle Homo, president of the GIHP² for Seine-Maritime, pointed out.

Furthermore, these projects must be propelled and promoted by committed politicians; it is not right for some of the deputies in the European Parliament to be there almost by default. Europe's citizens deserve parliamentarians who are both hard-working and accountable. Associations must also be supported to assist with European citizens' education, whereas right now they are demobbed because for them the EU constitutes an administrative and financial barrier with regard to institutional needs, particularly in the treasury sphere, as Philippe Thillay, director of the CRAJEP³ for the Haute-Normandie Region, pointed out. It is necessary to develop such networks as associations, think tanks, political parties and so forth.



2. Democracy: explaining the European Union, its project and its institutions

The EU is young, in fact it is barely sixty years old (Nicolas Mayer-Rossignol). It takes time to develop a democracy, to bring the European dream to life and to provide the EU with solid roots (Karima Delli). The trouble is that political timing is different from the timing of economy and finance (Pierre Menguy). Beyond the policies, the projects and the tools which need to be developed and tailored to people's needs, it is also necessary to cause European democracy to evolve and progress.

The EU is misunderstood in its daily life (Catherine Morin-Desailly). National leaders are to be blamed for this, since they seem to do their best to get people to hate the EU by taking decisions which do not reflect grass-roots opinion, for instance by refusing to host Edward Snowden or by authorising deep-sea trawling (Claude Taleb), and which conceal certain issues (Catherine Morin-Desailly). The European Council, comprising heads of state and government elected at the national level, acts as though it held all of the power in Europe (Karima Delli). The institution is so opaque that even MEPs are not allowed to know what is said at its discreet night-time meetings. Where the European Council, the European Central Bank (ECB), the Troika or other institutions are concerned, the European Parliament should have greater oversight (Gilles Pargneaux). This, in particular, because the proportional vote by which MEPs are elected ensures that the parliament represents the plurality of views held by the citizens, who occasionally hold highly individual opinions (Claude Taleb). Where improving the institutions is concerned, an initial clarification will be achieved thanks to the Treaty of Lisbon in the upcoming European elections on 25 May 2014, where the president of the Commission will be appointed by the party garnering a majority in the European Parliament (Gilles Pargneaux). Even if the EU bears little resemblance to the French model, majorities are not systematic and they change on a case-by-case basis (Claude Taleb). The politicisation of the institutions makes it possible to establish clear choices for the EU with which the citizens will be able to identify (Nicolas Mayer-Rossignol). The primary elections held by the Greens to appoint their ticket leader is another move in the direction of greater politicisation and greater democracy (Karima Delli). Yet this solution does not attract unanimous support because the politicisation of the Commission runs counter to

its role as arbiter above the fray and as guardian of Europe's general interest.

Moreover, it is also necessary to shed greater light on the European institutions, on their vocabulary and on their concepts, such as the "institutional triangle" or "trialogue", which make it impossible for the man in the street to understand what is going on. There has been a real drift towards obscurity (Pierre Menguy).

If it is to evolve, the EU needs to make the best use of its primary asset, namely the fact that it is comprised of 28 member states with 28 different political systems, 28 different cultures and 28 different social models (Pierre Menguy). Mathieu Monconduit, president for the Haute-Normandie Region of the Semaines sociales de France⁴, pointed out that it is a 28-strong construction, not a 28-strong competition, and that the formal and informal contribution of each one of these countries constitutes Europe's primary asset, its primary strength. Thus the exchange of best practices must continue (Elmire Af Geijerstam). Sweden, for instance, is a model in terms of transparency. Swedish citizens have confidence in their political system, which shapes its policies slowly, through dialogue with all of the stakeholders involved, as happened with pension reform which was implemented after negotiations lasting fully eight years. Certain areas already function in this way, such as the CAP (Claude Taleb). Dialogue and consensus are two crucial notions in a 28-strong Europe because "a caravan can only move as fast as its slowest camel" (Elmire Af Geijerstam). Sweden, however, just like the United Kingdom, sees the EU as an economic project, not as a social project.

Subsidiarity is also of the essence. The EU must adapt to the local level in order to meet its citizens' needs. In France this is a problem because the country has been carved up into too many excessively small units (Elmire Af Geijerstam), and the most damaging thing for MEPs elected in France is that their European constituencies are too large for them to be able to present themselves to the electorate effectively (Karima Delli).

The EU offers each member state an excellent opportunity to adapt as best it can to economic, social and global change, but it also offers France an excellent opportunity to renew its debate on the concept of fragmentation.

The European elections provide a wonderful opportunity to debate and to build a long-term model through dialogue (Marcel Grignard). Jean-Michel Clémenceau, a member of the Conseil consultatif départemental de Seine-Maritime⁵ and president of the Raisonance-Rouen Association, appealed for more participatory democracy. This, because in order to define a new European model, it is necessary to prove capable of meeting grass-roots expectations, and to do that, it is necessary to return to a real-life level and to interact with the man in the street (Pierre Menguy).



3. Employment and the euro: defining a new European economic model

The economic crisis has revealed the limitations and shortcomings of the Economic and Monetary Union, and it is placing the EU in a critical situation today. With the jobless rate standing at 10.7% in the EU and at fully 12%⁶ in the euro area, unemployment has become Europe's foremost scourge today (Gilles Pargneaux), especially among young people. Some 15.4% of young Europeans aged between fifteen and twenty-nine are neither students, nor in employment, nor interns⁷. This figure covers different situations, because while in Germany it concerns 9.7% of young people, in France that figure rises to fully 14.5% (Marcel Grignard). Women are also affected by inequality where employment and workplace conditions are concerned, as Marie-Hélène Joyen-Conseil, president of the Observatoire des femmes⁸ for the Haute-Normandie Region, pointed out. And indeed 75% of involuntary part-time workers are women (Karima Delli).

The euro is often accused of being the cause behind the difficulties encountered by member states⁹. But it is not the single currency that is to blame, it is our failure to complete the Economic and Monetary Union. The euro, the free movement of workers, and a common budget are all steps forward, but their poor implementation has led to unbridled social and fiscal competition when the EU does have the means to accompany these tools with individual and collective safeguards (Marcel Grignard). The EU is a splendid project, but it is incomplete. It is not equipped with resources equal to its ambitions. Today the standards and regulations in place act as a curb on most businesses (Nicolas Mayer-Rossignol).

In addition to this observation, there has been poor handling of the crisis. The EU, led by liberal and conservative governments, based its action on intergovernmental solutions at one last-chance summit after the other, and in 2008 it was the European Central Bank (ECB) that ultimately made it possible to reassure the financial markets (Gilles Pargneaux).

In view of this situation, Krystyna Astier, who is in charge of international relations with the University hospital (CHU) in Rouen, deplored the participants' pessimistic view and pointed out that the European Union has its good sides, for instance in the health sphere. A great deal of progress has been made over the past decade or so. Patients can now be cared for from one country to the next thanks to the European Health Card, and European medics can move and practice freely in any country in the European Union.

All participants agreed that this observation is tough but lucid, reflecting reality. Yet they all had ideas and solutions to put forward.

Jean-Louis Maillard, the FSU representative in the CESER¹⁰, wondered whether it might not be appropriate to call into question the ECB's independence and the ban on member states borrowing directly from it, since the current regulations encourage austerity and are of no benefit to the real economy. He also wondered how to improve the EU's social aspect; for instance, it might be possible to build a social clause into the treaties. And finally, he wondered what the new EU's new "priority for industry" means.

Louis Jourdan, with the European Movement - Bretagne, wondered whether it may not be necessary to wave good-bye to growth in order to move towards

an economy based on quality and on a reduction in consumption.

It was clear to all participants that the EU needs to change its economic model, thanks to a new direction for economic policies and its implementing tools. The euro area and the EU in general offer the opportunity to set up a new growth model based not on competition over the cost of labour and flexibility (Marcel Grignard) but on quality, research and innovation (Nicolas Mayer-Rossignol). To achieve that, it is necessary for member states to cooperate and to evince greater solidarity so that growth can go arm-in-arm with social progress (Marcel Grignard). For instance, where the budget is concerned, the EU needs to endow itself with its own resources through a tax on financial transactions, or more simply through a European tax (Nicolas Mayer-Rossignol). The multi-annual financial framework for 2014 to 2020 is too modest to allow the kind of spending that could truly reverse the trend, or to launch new initiatives, especially with regard to employment (Gilles Pargneaux). But all of this does not mean that austerity is not crucial, as the debt is still a major handicap for future generations (Marcel Grignard). All of these decisions are eminently political, and a debate must be held to define a common future, which means that compromises are going to be necessary and, unquestionably, further transfers of sovereignty.

Among the twenty-eight models that the EU offers, Renaud Delubrac wondered why a model is always supported and even imitated in France at the very moment when it is starting to attract criticism elsewhere. Yves Kerouedan, president of the French Business Confederation MEDEF Rouen-Dieppe, for his part, compared northern Europe, which promotes an economic model based on investment and competitiveness through innovation and productivity, with southern Europe which affords priority to an economic model based on consumption, taxation and borrowing.

The German model, in view of its macro-economic success, has *de facto* become the model to emulate in the wake of the economic crisis, which sheds light on the major difference between the economic models of northern and southern Europe (Patrick Schreiner). Germany chose to raise salaries and labour costs only slightly, which depressed domestic demand and increased foreign trade. The countries of southern Europe, on the other hand, chose to increase salaries

more and so they incurred heavy debts with an ensuing increase in imports and drop in exports. With regard to this divergent development, the EU could make two choices to reduce the gap between the countries. It could increase salaries in countries with a trade surplus, or cut salaries with a trade deficit. The second solution was chosen at the very moment when Germany's macro-economic success was beginning to be affected by such consequences as increasing precariousness for workers and a deterioration in conditions in the workplace. Moreover, Germany's success based on exports creates a deficit in its trading partners. Thus the German model cannot be adopted at the European level. Reducing public spending only worsens the situation, fostering economic collapse, chain-recessions and rising poverty and unemployment.

Germany's policy has been implemented to the detriment of its European partners.

The EU must take its inspiration from the various different European models (Marcel Grignard), reconciling supply and demand policies in order to reconcile European solidarity with social progress (Nicolas Mayer-Rossignol).

Member states must promote a policy of cohesion and a new development model based on the environment, employment, quality, research and innovation with a common social base, and if achieving that demands enhanced cooperation, then so be it (Nicolas Mayer-Rossignol).

The buzz word appears to be: more EU and a better EU.

Pictures and the podcast of this debate are available on our website.

1. Fédération Départementale des Syndicats d'Exploitants Agricoles (FDSEA): Departmental Federation of Farmers' Unions.
2. Groupement pour l'Insertion des Handicapés Physiques (GIHP): association in charge of the insertion of physically disabled people.
3. Comité Régional des Associations de Jeunesse et d'Éducation Populaire (CRAJEP): Regional board of associations in charge of the youth and popular education.
4. Semaines sociales de France: France's social weeks.
5. Conseil consultatif régional: Regional advisory board.
6. December 2013.
7. Indicateur NEETS: not in education, employment or training.
8. Observatoire des femmes: Observatory of women.
9. Member states of the euro area in 2014: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, Spain.
10. Conseil économique, social et environnemental régional (CESER): Regional Economic, Social and Environment Council.

EU, UNEMPLOYMENT AND GLOBALISATION

Virginie Timmerman, *Synthesis of the 1st debate "Droit d'inventaire – Droit d'inventer"*, Notre Europe – Jacques Delors Institute, January 2014

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Marie Billotte & Sofia Fernandes, *Synthesis*, Notre Europe – Jacques Delors Institute, July 2013

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Yves Bertoncini & Sami Andoura, *Tribune*, Notre Europe – Jacques Delors Institute, juin 2013

LEADING EUROPE FROM THE FRONT

Pascal Lamy, *Tribune*, Notre Europe – Jacques Delors Institute, June 2013

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Kristina Maslauskaitė, *Studies & Reports No. 97*, Notre Europe – Jacques Delors Institute, June 2013

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Pascal Lamy, *Tribune*, Notre Europe – Jacques Delors Institute, January 2013

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Pierre Lepetit, *Policy Paper No. 60*, Notre Europe – Jacques Delors Institute, January 2013

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