

THE CONFERENCE ON THE FUTURE OF EUROPE: BREAKING NEW GROUND FOR THE EU

Revised Italian Non-Paper on the Conference on the Future of Europe (2021-2022)

1. Introduction

Back in February 2020, on the eve of the COVID-19 pandemics, Italy circulated a non-paper on the then prospective Conference on the Future of Europe.

After 16 very difficult months the emergency is subsiding, thanks to the resilience of our citizens and the consistency of our efforts, both at national and EU level. This allows us to put the Conference on the Future of Europe back in the spotlight.

As it turns out, most of the ideas developed in the 2020 non-paper are still valid. But in the time span elapsed quite some water has passed under the bridge. This led the Italian Government to draft a revised version of the 2020 paper, taking stock and trying to build on the experience of the last 16 months.

Europe has been through a lot in the last 10 years. The Eurozone has been repeatedly on the brink of disaster. Our continent has suffered from the destabilizing effect of the crises in our Neighborhood. We had to face the unprecedented decision of a Member State to withdraw from the Union. And last but not least, Europe had to tackle an unprecedented challenge. A health crisis that wreaked havoc in our countries and threatened to disrupt the very foundation of the European project, i.e. the common market and the four freedoms. Yet, the EU subsisted, showing the extraordinary resilience of our common endeavor.

Surviving cannot be the end of it, though. We also need to learn from our experiences. Adjust to new challenges. Let the EU adapt and evolve.

Now more than ever, we can't just wait and see for what is next. A thorough debate on the way forward is necessary. And if relevance is anything to go by, this debate cannot be confined behind closed doors, and cannot be limited to a mere aggregate of national debates. It has to be open, participatory, and genuinely transnational.

Construed as **a major opportunity to open up the debate on the future of Europe**, the Conference can become the breeding ground of a much-needed European political discourse. To this end, **it should hinge upon two main topics:**

- A pragmatic, down-to-earth **debate on the innovations that could foster a better functioning of the Union, more transparency, and citizens' participation;**

- **A discussion on key priorities**, with a view to the policies, which proved to be of particular salience for domestic debates.

As far as procedure and governance are concerned, **Italy fully supports the mandate that has been agreed upon by the three institutions and highlights the importance of meeting the following criteria:**

- **Participation:** all European citizens willing to participate and engage in the debate should be allowed to do so. Different levels of Governance, including Regions and Municipalities, should be encouraged to join in the process.
- **Co-ownership:** full participation of both EU and national institutions shall be ensured, including with adequate involvement of all member States within the Council.
- **Representativeness:** not only EU institutions and national Governments, but also national Parliaments and representatives of EU citizens shall participate actively in the debate. This begs for a central role of the Plenary in steering the conference proceedings and wrapping up its conclusions.
- **Transparency:** access to documents and proceeding has to be granted all along.
- **Relevance:** we can't afford to convene a vast consultative exercise to little or no avail. This would prove to be not only frustrating but also counterproductive. We have to make sure that the outcome of the Conference is relevant, and concretely taken care of.
- **Trans-nationality:** 27 national debates on the future of Europe would make some sense but little difference. The real added value of the conference would be promoting a Europe-wide integrated debate on cross cutting issues.

To make the most out of the Conference, we should mobilize a wide array of tools and have as wide-ranging, transnational and participatory a debate as possible. Italy attaches the greatest importance to the **early involvement of the civil society as well as of national Parliaments**. Inter-parliamentary conferences, town-hall meetings with representatives from all Member States, citizens' panels will be key to the success of the initiative. A bottom-up and open approach could keep the debate alive and shall accompany the process all along. The Conference platform will be the lynchpin of this broad participatory mechanism.

The Western Balkans should also be engaged in the Conference on the Future of Europe, as Italy and other member States suggested in their joint paper "*Elements for an enhanced enlargement process and sustained and accelerated integration of the Western Balkans*" of December 2019.

Youth participation in the whole exercise will be key. In this respect, Italy aims at promoting initiatives involving young people from the EU, the Western Balkans, and the Mediterranean countries.

2. Bolstering the European democratic space, promoting a better functioning of the EU

As stated in the December 2019 EUCO Conclusions, “*the Conference should contribute to the development of our policies in the medium and long term so that we can better tackle current and future challenges*”. Yet, **a debate on policies cannot ignore decision-making procedures and the broader issue of the functioning of the EU**. It would be probably premature, at this stage, to envisage a major overhaul of the European architecture. However, Italy deems that the Conference should not shy away from discussing targeted but symbolically important innovations to the EU institutional setup.

Priority should be given to two strands of measures:

- Innovations aimed at **bolstering the European democratic space**;
- Measures aimed at **promoting a better functioning** of the EU institutions.

On the former, it is worth noting that EU decisions have become increasingly relevant to European citizens. However, as long as the public debate remains segmented along national lines, the risk of misperception and misrepresentation remains very high. The way in which the debate on the EU economic governance in the aftermath of the financial crisis unfolded, with reciprocal stereotyping in the media of Northern and Southern Europe, is a point in case.

Only a truly EU-wide political discourse can help us frame correctly the main choices we are faced with. This is by no means quixotic. The largely transnational debate on environmental challenges, which is involving civil society representations across all EU countries, demonstrates that this is a distinct possibility.

Italy suggests discussing selected innovations that could spur an authentic EU debate, notably:

- Improving transparency and citizens’ participation.** A thorough discussion is needed on how to ensure greater transparency and citizens’ participation to all European proceedings. Members of the EMU should also consider an in-depth examination of the Eurozone governance. Notably, envisaging a better involvement of the European Parliament and greater transparency for the EFC-Eurogroup-Eurosummit proceedings.
- Further strengthening of the **European Citizens’ Initiative**. In this context, the introduction of an all-European Referendum on issues related to EU integration could be envisaged. This consultative tool should be engineered in order to be consistent with and supportive to national direct democracy instruments.
- Reinforcing **European representation**: the role of the European Parliament should be strengthened, including by formalizing its right of initiative. The possibility of harmonizing the electoral rules for the European election should also be explored, with a view to laying the groundwork for an EU-wide political campaigning. A limited but symbolically important joint EU constituency could also serve this purpose, allowing

the European political families to compete on a trans-national basis. This could also pave the way to more ambitious reforms, dovetailing the debate on a directly-elected President of the Commission.

Equally important would be discussing process innovations that could make the EU institutions more effective. Italy suggests exploring in particular four lines of action:

- d. Making full use of existing options to **simplify the EU decision-making process**. A progressive shift towards Qualified Majority Voting should be envisaged, in such fields as social security and social protection, anti-discrimination measures and taxation. The latter being particularly urgent, since it is demonstrably true that unanimity represents a formidable obstacle to EU agency in this field, with the ensuing, crippling distortions in the internal market. On CFSP we look at the possibility to shift from unanimity to QMV with an open approach at least in certain domains. The so-called “Passerelle clauses” and provisions enshrined in article 31(2) TEU could be used to this end.
- e. Developing a stronger EU external action as a mean to support EU internal policies, making **full use of the potential of the double-hatted HR/VP** and strengthening EEAS-Commission coordination both at HQ level and in Third Countries. The ultimate goal is to enhance the ability of the EU to influence the security environment, particularly in our proximity, through connecting more strategically crisis management tools with other strands of external action.
- f. Streamlining the **role of the General Affairs Council** following the spirit and the letter of the Treaties, including by making its role in the preparation of the European Council more salient.
- g. Making full use of the opportunities offered by **Presidency Trios**, by rationalizing the division of labor along thematic lines and avoiding fragmentation, especially on complex legislative files involving longer negotiations.

The above mentioned innovations can be introduced within the framework of the current Treaties. The outcome of the Conference should not be preempted, though, which means that participants should be allowed to discuss and make proposals on any topic, including Treaty change, if they feel like it.

3. Fine tuning policies - Promoting a thorough debate on EU priorities

Policies will be the gist of the Conference on the future of Europe. The Strategic Agenda adopted by the European Council in June 2019 provides a good guidance on the outstanding issues. The Conference should provide us with an opportunity to inform our citizens and, above all, **receive their feedback, listen to their concerns and treasure their proposals on those issues that are perceived as particularly relevant by the wider public, including**

innovation, research and digital and green transitions, public health, social security, social protection and inclusion, gender equality, security and defense, transparency and relationship between citizens and the Public Administration, cultural policies, preservation of cultural heritage and landscape, cultural and creative industries, etc. In so doing, this exercise should help us spotlight the notion of European public goods, highlighting the fields in which joint EU action has a clear added value. Most importantly, the Conference should serve the purpose of laying the foundations of a true European debate. In this respect, specific emphasis should be given to those policies that make the headlines of national media and dominate, sometimes with a less than positive undertone, the national debates on the EU.

3.1 The Health Union

The current global health crisis has shown that cooperation, reforms and solidarity are the only possible ways to cope with the unexpected emergency caused by the pandemic. The EU has been called at the front line for coordinating the Member States' national responses, protecting the health of European citizens and, ultimately, ensuring the availability and delivery of Covid-19 vaccines. However, these actions require much more than the recent short-medium-term approach and call for a longer-term approach to public health.

The best expression of this new longer-term approach would certainly be a "European Health Union". This ambitious project would help fight the systemic causes of shortages and make Personal Protective Items (PPIs), vaccines and other medicines easier to access throughout European countries. Other initiatives in the field of public health could also be envisaged, in order to identify and address weaknesses in Europe's supply chains and grant our citizens full access to high quality medicines and safety standards.

Those actions are urgently needed if the ultimate goals of the EU public health policy are those of better protecting the health of our citizens, equipping the EU and its Member States to better prevent and address future pandemics and improving resilience of Europe's health systems. To this end, the future Health Emergency Preparedness and Response Authority will play a crucial role.

The debate on the Health Union will also provide us with an opportunity for discussing the actual boundaries of the EU competences. Subsidiarity and the principle of conferral are certainly two pillars of the EU system. However, it shouldn't be overlooked that the Treaties also provide margins of flexibility that allow the EU to weight in when the need arises. Whether and when this margins are to be used, is certainly a question worth pondering upon.

3.2 The debate on the EU open strategic autonomy

The Health Union future is strictly intertwined with the open strategic autonomy debate.

In its national contribution on “Mapping strategic autonomy”, Italy framed this notion in a three-pronged approach:

- Projecting security and promoting values;
- Building capacities and making up internal vulnerabilities;
- Levelling the playing field.

All the three strands are particularly important for the future of the EU. The second, hinging on capacity-building, being particularly suitable for public discussion.

The pandemic has exposed the dependencies of Europe from foreign suppliers, highlighting the urgency of making up internal vulnerabilities in a plurality of areas. This would require, among others, a new, positive approach to industrial policy, accelerating the ongoing revision of competition rules and State Aid, including IPCEI.

Beside national efforts, Direct European investments – on the example of Galileo, Copernicus or ITER – are also needed to develop missing capacities in strategic sectors and promote industrial champions of genuine European size.

This would of course require a huge spending capacity, which does not seem compatible with the present dimensions of the Multiannual Financial Framework.

The high road to address the need for an adequate European investment capacity is developing new own resources, progressing along the road map agreed with the European Parliament as part of the MFF deal and beyond.

On top of that, the EU could make full use of the experience acquired with Next Generation EU, which is already intended to finance, by the revenues from common bonds, key European goals, such as the twin transitions, aimed at building up resilience and strategic autonomy.

Perpetuating NGEU would be the easiest way for the EU to raise the money it needs to finance its ambitions. It would also add depth and liquidity to the EU’s capital markets while strengthening the international role of the euro, as recently pointed out by the Commission.

3.3 A green deal for the Europeans

The European Green Deal shall certainly be one of the topics of choice of the Conference. It is also very fitting, since the environment is already at the center of an unfolding Europe-wide debate.

The “Green Deal” is a political necessity and a moral imperative, for the sake of future generations. However, it can also represent a great opportunity for relaunching growth and investments, especially at a time of economic slowdown in Europe.

The potential impact of the 2050 climate-neutrality goal on the European society and industrial base shall not be underestimated. We need to make sure that industrial green transition leaves no one behind and remains sustainable both socially and territorially.

Also, the transition towards a greener economy will need significant investments in innovation, education and research and adequate financial support. With its focus on the green transition, Next Generation EU will offer a first powerful injection of resources, but too limited in time to really represent a game-changer. A longer term and fully-fledged **Sustainable Europe Investment Plan** is needed in order to make the Green Deal a reality.

In such a framework, **mobilizing EU funds and rallying private capitals** will be essential. An important contribution, in this context, will be provided by Horizon, which aims at supporting, among others, green deal targeted research and innovation. But at least equally, if not more, important will be **activating national resources**. Italy calls for a coherent European economic governance, allowing a wider use of budgetary policies for financing long-term investments and supporting the green transformation of our productive and economic systems.

3.4 Bringing the EU at the forefront of the digital transition and seize the gauntlet of technological innovation

To reap the full benefits of green and digital transitions, the EU needs to reassert itself as a major global player, defining new standards and norms that are in line with its values and can become reference standards at the international level.

A debate is in order on how to achieve a high level of strategic autonomy in the digital domain, whilst preserving an open EU economy. Crucial areas where to concentrate our efforts are the development of enabling technologies, such as 5G/6G safe connectivity, human centred Artificial Intelligence, quantum technology, next generation high performance computing, European cloud. In this context, EU action should aim at reinforcing the innovation potential of scientific & technological research, the resilience of infrastructures, knowledge dissemination. Adequate financing needs to be provided to encourage investments in digital infrastructures, research, education and skills for the benefit of European industry, government, and citizens, thus reducing the gap in digital competences that we have experienced during the pandemic. The EU must also play an essential role in ensuring the "level playing field" in the digital space and the involvement of the entire production system in the value chain, including micro-enterprises, SMEs, and start-ups.

3.5 Debating economic policy choices, building on the experience of Next Gen EU.

It is time to acknowledge that the European economic policy cannot be a mere aggregate of separate national policies. A pure and simple coordination of national fiscal policies, underpinned by abstract, one-size-fits-all technical criteria, does not serve well the purposes

of a well-functioning economic and monetary union. Italy believes that a coherent/aggregated **economic policy stance** should be defined for the Eurozone as a whole, and that this should be reached through **a transparent debate at the highest political level**. The European Parliament and national Parliaments shall also be involved in the process.

In framing this debate we should build on the experience of Next Generation EU. Joint EU action proved to be the most effective response to the formidable challenge of the pandemics. The cutting-edge tools created in this occurrence – including SURE and the Recovery and Resilience Facility – should represent a template for the future.

Having in mind the objective of fulfilling the Sustainable Development Goals and heeding the inextricable connection between the economic and social dimensions, Italy believes that the **European Semester should further evolve into a broader “sustainable Semester”**. There is a clear need to move from the predominant focus on fiscal discipline and financial stability towards a more comprehensive approach, which appropriately values the goals of sustainability, growth and preservation of the social fabric.

In the meantime, the architecture of the EMU ought to be completed building up its missing pillars: a **common guarantee scheme for bank deposits** and a **macroeconomic stabilization mechanism**. We encourage the Commission to present a proposal on a permanent European unemployment benefit (re)insurance scheme, building on the positive experience of SURE, and wish for its swift approval. Institutional issues, like appointing a European Finance Minister, with appropriate competences, prerogatives and resources, should also be considered.

As the debate at the international level evolves and the possibility of a common understanding on business taxation seems closer than ever, the Conference should also help us take a fresh look to a contentious, yet essential, topic: **tax harmonization**. Clearly, this is not an issue that can be addressed without an honest and forward-looking trans-European perspective. Yet, a higher degree of uniformity in this area would massively benefit the functioning of the internal market, also avoiding aggressive tax planning and base erosion.

[3.6 Facing the migration challenge together. An effective EU migration Policy.](#)

Migration policies have been front and center of the political debate in the last few years. Unfortunately, the obvious crosscutting implications of this topic have been leveraged to show the EU under a bad light. Blaming its inertia or scapegoating it for the arrival of illegal immigrants has almost grown into a habit.

Italy believes that **the root cause of this problem is precisely the fact that migration has not been construed as a truly European issue**, which requires European answers.

The Treaty provisions on visa, borders, migration and asylum have been given a narrow and formalistic interpretation in the last few years. We confined ourselves to covering some legislative ground without really creating common policies. Moreover, we took a narrow and misleading approach, looking at migration exclusively through the lenses of Asylum policy,

instead of developing an overarching migratory policy, as per article 79 TFUE. In so doing, we also totally neglected the issue of solidarity, despite the clear formulation of article 80 TFUE.

The **migration crisis** of 2015-2017 is over, but new crises are always brewing. Temporary protection schemes, built upon solidarity, although requested by the Treaties and formally adopted, have never been activated. An objectively uneven burden sharing among Member States calls for **common approaches**. **Solidarity that is currently circumstantial, at best, must become structural.**

In parallel, the EU should offer a framework for **legal migration**, which is necessary for Europe's economic development. While respecting Member States' prerogatives, a better coordination between immigration and employment policies is necessary. This should also be brought at the center of the European debate, along with **integration**. The EU should enhance an approach that respects the human being behind every migrant. The success of some integration policies should be highlighted, anchoring this policy into a broader anti-discrimination and anti-racism agenda.