



Shadow European Council
Conclusions

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Conclusions

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**"From Pact to Act: A European Action
Plan for the Future"**

The principles that underpin the Spinelli Group are to oppose the current tendency to increasingly resort to intergovernmentalism in European decision making which amounts to nothing more than bargaining between national interests. We believe that the only real way forward is by making decision based on the common interest of the European Union and its citizens.

The Shadow European Council of the Spinelli Group finds that the Pact for the Euro is too little, too late. The heads of government lack a global vision and are distracted by short term and limited solutions. We believe that a global, comprehensive and long term approach is required. We therefore propose an Action Plan as a global response to the financial, economic and sovereign debt crisis that the Union has faced over the last two years.

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1. For the European Union to come out stronger and face up to the challenges ahead, three critical and interlinked actions are required. At long term, a very ambitious programme for infrastructure, research and ecological investments across the Union. At short term, a new comprehensive legislative framework to be called « Federal Act for economic convergence and governance in the EU », to be proposed by the Commission and adopted with the normal legislative procedure. This Federal Act should include also the present six proposals and the Pact for the Euro. And immediately, the clean up of the banking sector. All three elements constitute a real Action Plan for resolving the current crisis, breaking the current crisis pattern and putting the Union on the path to a better sustainable future.

A European Action Plan for the Future

2. Europe needs not only balanced budgets and fiscal discipline but at the same time investment and growth. As the EU budget is limited and national budgets are in difficulty, a very ambitious investment plan must be launched through the issuance of EU project bonds. We propose an investment programme over ten years of four trillion euros to be raised both privately and publicly.
3. Such investment at the European level provides for huge economies of scale where joint financing provides for the end to duplication and the consolidation of investment with real added value at the European level. Such investments will provide for the modernisation and the ecological transformation of the European economy. It should include education,

transport links (rail, road or water), energy infrastructure (smart grids, broadband networks), and large-scale research and scientific projects, such as Galileo and others.

4. If the EU budget is ever to become a credible instrument in the effort to stabilise Europe's finances and boost the economy, the upcoming reform of the EU's multi-annual financial framework and of its revenues system must be radical. This calls for the establishment of a system of real 'own resources' instead of national contribution by Member States. Such resources could include, for example, as proposed by the Commission, a European VAT, a European carbon tax and/or a financial transaction tax.
5. We call for the convening of a convention-type Conference on the future financing of the Union. This conference must include representatives of the three European Institutions as well as national parliamentarians.

A Federal Act for Economic Governance

6. The failure of previous efforts at economic recovery suggests that the intergovernmental method whereby the states monitor and control the process does not work. Credible economic governance needs a really proactive European Commission in the driving seat that has the ability and the full determination to set the objectives, make proposals, induce commitments and monitor developments. To do this, the Commission needs to be able to impose corrective measures and impose sanctions. This Federal Act must of course be democratically controlled by the European Parliament with the close cooperation of the European Central Bank, independently responsible for stability, and lead to a broad citizen's debate at domestic and European level.
7. A monetary union has no future as long as economic divergences are growing. It entails an equivalent economic union consisting of a fully developed and deep internal market and a real socially sustainable economic government at Union level. A quantum leap is required in both respects. Such economic governance does not mean a simple coordination or over-centralisation of Member States' economic policies. It means the establishment of a federal policy for economic convergence in the eurozone whilst safeguarding social dialogue and collective bargaining systems. This is possible by agreeing on a convergence code for economic and social policies – in fields such as labour and wage-policy, taxation, pension systems, investment – on linking wages with productivity developments and on a common tax base (CCCTB) with a band for a minimum rate.
8. The single market programme must be completed as proposed in the Monti report. After its previous failures caused by mutual complacency, the Stability and Growth Pact must be reinforced and upgraded to cater for the stricter surveillance of broader macroeconomic developments. The European Parliament must strengthen the economic governance package currently in co-decision.

9. Finally, we urge the establishment of a consolidated Eurobond market to provide less costly sovereign borrowing for all Member States, including the so called Triple A rated countries, and also bring about the reinforcement of compliance with the Stability and Growth Pact. The new European Stability Mechanism should be permitted to enter the secondary bond market.

A European Mechanism for Banks

10. The main cross-border banks need consolidation and cleaning-up. Without doing this, a sustainable economic recovery in the Union is impossible. The experience of Japan and Sweden in the 1990's perfectly illustrate the need for a banking clean up, without which investment and credit granting confidence will not return. Many of our banks are under-capitalised, over-extended and over-exposed to bad debt, including sovereign debt. Credible stress tests and a bold European mechanism must assist in the clean-up and provide security and, where necessary, emergency assistance.
11. The new measures will achieve two major objectives: restructuring unsustainable debt while keeping or taking over operations such as deposits, savings and small business banking into 'good banks'. It is important to note that most instruments to make this happen are already available, such as state aid authorisation by the Commission and supervision under the auspices of the European Banking Authority.

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The European Action Plan can only be successful if anchored within the Community method, which is the treaty based decision making system of the European Union. It is the only method that ensures equality between the states and the advancement of the common European interest whilst also ensuring public cross border debates in the European Parliament on the main political and social choices we have to make.

Conclusions

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On the Arab revolt

1. On 17 December 2010 the self-immolation of Mohamed Bouazizi sparked a revolution in Tunisia. After the Tunisian dictator Ben Ali fled, demonstrations started in Egypt, spreading to the whole of Northern Africa and the Middle East. From the beginning it has been clear that these revolts are about freedom, democracy and the strive for a better life. fight against poverty.

In these revolts people are fighting for the same universal values that Europe stands for and that inspired the creation of our European Union. Hence we therefore have the duty as Europeans to learn from our past and revise and support them through all possible means. The hesitation the European Union has shown on Tunisia, Egypt and Libya is not acceptable. The Shadow European Council therefore calls on the European Council to

- acknowledge the legitimate aspirations of the populations in revolt and support their realization
- impose with the international community necessary sanctions to those regimes that use violence against their people
- engage a thorough revision of our external relations policy, based on an evaluation of our past policy, especially the Neighborhood policy, in order to put at its core the values of human rights, democracy and human dignity that are enshrined in the texts founding the EU.

In any case the EU failed and even violated the Treaty. The total lack of consistency in foreign policy of the European Union and its Member States has made the Union ridiculous. Certainly the different position and vote on the UN resolution 1973 of the European Member States was highly absurd. Article 34 of the Lisbon Treaty stipulates that the Member States should coordinate their action in international organizations and conferences and that the High Representative should organize this. We ask that this coordination should urgently start. We finally need a European foreign policy.

Libya:

2. The Shadow European Council welcomes UN resolutions 1970 and 1973 and the necessary steps taken to further prevent the bloody repression of Col. Kaddafi against his own people and the democratization process. The Shadow European Council deplores the lack of consistency displayed by EU member states in the UN Security Council and their damaging effect on the effectiveness of the Union and its credit on the international scene. . This reduces the effectiveness of the Union but also increases its discredit in foreign affairs. This is why the Shadow European Council asks the European Council to unanimously condemn what is happening in Bahrain, Yemen and Syria.

3. We welcome the Council Decision of 28 February to ban arms supplies to Libya and call in this respect the European Council to investigate whether there have been breaches in the EU Code of Conduct on arms export by Member states.

4. We urge the Council to recommend to its members to activate the Temporary protection Directive (2001/55/CE) and share together responsibility for the reception and relocation of those who can't return to their own country because of the current situation, particularly the most vulnerable ones (migrants and refugees).

Bahrain

5. Sharing the international concerns about the deteriorating situation in Bahrain, we urge the European Council to condemn the intervention of Saudi-Arabia and its contribution to the crackdown on demonstrators and to take specific sanctions against the regime.

Syria

6. We condemn the events of 16 March in Damascus and the violent reactions of the Syrian government against its own people. As a first step to increase the pressure and support the demonstrators, we call for the Partnership agreement negotiations to be frozen until the human rights situation has significantly improved.

Yemen

7. The Shadow European Council also condemns the violent reaction of the governments of Yemen against their own people. The Shadow European Council urges the government to grant its people freedom of opinion and take the necessary steps towards a regime of liberty and democracy the Yemenites are asking for.

Conclusions
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Energy challenges after Fukushima

1. The 11 March massive earthquake and destructive tsunami have caused extensive and severe damage in North-Eastern Japan, leaving thousands of people confirmed dead, injured or missing, and millions more affected by lack of electricity, water and transportation.

In addition, this tragic natural disaster also provoked major disruptions in the functioning of the Fukushima nuclear power plant, causing an evacuation of hundreds of thousands of people and a huge risk of radioactive contamination. The first priority is the help and support to the affected populations.

2. Obviously, this disaster will have huge consequences on economic and energetic level beyond Japan and the region. Having always been a forerunner in the world on the subject, the European Union has to open a real discussion on this issue. This requires much more than mere stress tests on nuclear power plants on the territory of the Union (of which the energy ministers are also unable to agree) there is an urgent need for

- a broad public debate on nuclear energy in terms of safety facilities, nuclear waste, insurance risk, investment, transparency of data and information;
- a strong support for sustainable alternatives especially the operational potential in the short and medium term benefits of renewable energy;
- a push for an ambitious strategy on energy efficiency with a review and strengthening of the “Energy efficiency plan” and “Road map 2050” presented by the Commission, in order to introduce binding targets and new legislation to speed up the phasing-out of Europe’s fossil fuel dependency.

3. It is time to rise up to the common challenges and strive for a truly European response, instead of resorting to unilateral energy-policies, like too many Member States keep doing. That is why we propose an initiative for a European Energy Saving and Renewable Energy Community, opened to EU members but also to candidate- and neighbouring countries, which includes the following objectives:

- establishing an absolute priority for "low risk" energies like energy saving and renewable energies;
- strengthening standards of all consumer goods including cars;
- helping establish, in the framework of the 2013 -2020 financial perspectives, the highest possible targets for energy saving, renewable energies and electricity infrastructure projects, notably but not exclusively, in the Research, development and innovation area.