



FEDERALIST DEBATE AND TRAINING WEEKEND 2016

EUROPEAN SOLIDARITY

***Failures, Challenges
and Federalist Perspectives***

REPORT

Athens | 18-20 March 2016

TABLE OF CONTENTS

PROGRAMME	1
SATURDAY 19 MARCH 2016	1
SUNDAY 20 MARCH 2016	2
SOLIDARITY BETWEEN STATES: FROM MONETARY UNION TO A FISCAL AND ECONOMIC UNION FOR THE EUROZONE	3
Nikos LAMPROPOULOS, Vice-President of UEF Greece	3
Paolo VACCA, Secretary-General of the Union of European Federalists	4
Georgios PAGOULATOS, Professor of European Politics and Economy at the Athens University of Economics and Business, Visiting Professor at the College of Europe in Bruges	6
Domènec RUIZ DEVESA, Policy Advisor to the S&D Group in the European Parliament Economic and Monetary Affairs Committee	8
SOLIDARITY BETWEEN CITIZENS: TOWARDS A SOCIAL EUROPE AND EUROPEAN WELFARE TOOLS.....	9
Ioannis MANIATIS, Member of the Greek Parliament, Former Minister of Environment, Energy and Climate Change	10
Domenico MORO, Member of the Executive Bureau of the European Federalist Movement.....	11
Ioannis NASIOULAS, Founder and Director of the Social Economy Institute.....	12
Marilena SIMITI, Associate Professor of Political Sociology at the Department of International and European Studies in the University of Piraeus	13
SOLIDARITY BETWEEN PEOPLES: EUROPEAN SOLUTIONS TO THE REFUGEE AND MIGRATION CRISIS	14
Georgios KYRTSOS, Member of the European Parliament	15
Yannis PAPAGEORGIOU, Assistant Professor at School of Political Science at Aristotle University of Thessaloniki	16
Apostolos VEIZIS, Director of Medical Operational Support Athens (SOMA), Médecins Sans Frontières (MSF).....	17
TOWARDS A FEDERAL EUROPE: OPPORTUNITIES FROM THE EURO AND MIGRATION CRISES	18
Yannis SMYRLIS, President of UEF Greece	18
Philipp AGATHONOS, Vice-President of the Union of European Federalists	18
Dimitrios PAPANIMOU, Vice-President of the European Parliament.....	19
Konstantinos HATZIDAKIS, Vice-President of Nea Dimokratia.....	20
Miltiadis KYRKOS, Member of the European Parliament.....	21
Pantelis KAPSIS, Journalist, Member of PASOK's Central Political Committee, Former Deputy Minister of public radio-television	22
Konstantinos KYRANAKIS, President of the Youth of the European People's Party (YEPP).....	23
Christopher GLÜCK, President of the Young European Federalists	24
READING LIST.....	25
CONTACTS	28

SATURDAY 19 MARCH 2016

- 8.30 Opening and introduction to the programme
- 9.00 Greetings by **Nikos LAMPROPOULOS**, Vice-President of UEF Greece
- 9.15 Session I – Panel discussion
- “SOLIDARITY BETWEEN STATES: FROM MONETARY UNION TO A FISCAL AND ECONOMIC UNION FOR THE EUROZONE”**
- Speakers:
- **Georgios PAGOULATOS**, Professor of European Politics and Economy at the Athens University of Economics and Business, Visiting Professor at the College of Europe in Bruges
 - **Domènec RUIZ DEVESA**, Policy Advisor to the S&D Group in the European Parliament Economic and Monetary Affairs Committee
 - **Paolo VACCA**, Secretary-General of the Union of European Federalists
- Moderated by:
- **Ophélie OMNES**, Vice-President of the Young European Federalists
- 11.00 Coffee Break
- 11.30 Session II – Panel discussion
- “SOLIDARITY BETWEEN CITIZENS: TOWARDS A SOCIAL EUROPE AND EUROPEAN WELFARE TOOLS”**
- Speakers:
- **Ioannis MANIATIS**, Member of the Greek Parliament, Former Minister of Environment, Energy and Climate Change
 - **Domenico MORO**, Member of the Executive Bureau of the European Federalist Movement
 - **Ioannis NASIOULAS**, Founder and Director of the Social Economy Institute
 - **Marilena SIMITI**, Associate Professor of Political Sociology at the Department of International and European Studies in the University of Piraeus
- Moderated by:
- **Petroula NTELEDIMOU**, Member of the Union of European Federalists Bureau
- 13.30 Lunch Break
- 14.30 Session III – Panel discussion
- “SOLIDARITY BETWEEN PEOPLES: EUROPEAN SOLUTIONS TO THE REFUGEE AND MIGRATION CRISIS”**
- Speakers:
- **Georgios KYRTSOS**, Member of the European Parliament
 - **Yannis PAPAGEORGIU**, Assistant Professor at School of Political Science at Aristotle University of Thessaloniki
 - **Apostolos VEIZIS**, Director of Medical Operational Support Athens (SOMA), Doctors Without Borders/Médecins Sans Frontières
- Moderated by:
- **Daphne GOGOU**, European Commission (Directorate-General Justice) and Chair of UEF Political Commission on Social Europe
- 16.30 Coffee Break

17.00

POLITICAL ROUNDTABLE AND DEBATE WITH GREEK MEPS/MPs:

“TOWARDS A FEDERAL EUROPE: OPPORTUNITIES FROM THE EURO AND MIGRATION CRISES”

Welcome:

- **Yannis SMYRLIS**, President of UEF Greece
- **Philipp AGATHONOS**, Vice-President of the Union of European Federalists

Speakers:

- **Christopher GLÜCK**, President of the Young European Federalists
- **Konstantinos HATZIDAKIS**, Vice-President of Nea Dimokratia
- **Konstantinos KYRANAKIS**, President of the Youth of the European People’s Party
- **Pantelis KAPSIS**, Journalist, Member of PASOK’s Central Political Committee, Former Deputy Minister of public radio-television
- **Miltiadis KYRKOS**, Member of the European Parliament
- **Dimitrios PAPADIMOULIS**, Vice-President of the European Parliament

Moderated by:

- **Sarantis MICHALOPOULOS**, Editor-in-Chief, EurActiv.gr

19.30

Closing

SUNDAY 20 MARCH 2016

9.00

Opening and explanation of the workshops

9.30

WORKSHOPS

The workshops will run one after the other and will last approximately one hour each.

They will be structured as table discussions.

Each workshop will focus on one of the sessions of the previous day with the aim to:

1. Summarise key federalist proposals out of the previous day’s debates
2. Build arguments in defence of each proposals
3. Identify and rebut arguments against each proposal

Workshop I

**SOLIDARITY
BETWEEN STATES**

Workshop II

**SOLIDARITY
BETWEEN CITIZENS**

Workshop III

**SOLIDARITY
BETWEEN PEOPLE**

12.30

Evaluation

13:00

Closing and departure

SOLIDARITY BETWEEN STATES: FROM MONETARY UNION TO A FISCAL AND ECONOMIC UNION FOR THE EUROZONE

Welcome speeches:

- **Nikos LAMPROPOULOS**, Vice-President of UEF Greece

Speakers:

- **Georgios PAGOULATOS**, Professor of European Politics and Economy at the Athens University of Economics and Business, Visiting Professor at the College of Europe in Bruges
- **Domènec RUIZ DEVESEA**, Policy Advisor to the S&D Group in the European Parliament Economic and Monetary Affairs Committee
- **Paolo VACCA**, Secretary-General of the Union of European Federalists

Moderation:

- **Ophélie OMNES**, Vice-President of the Young European Federalists



Nikos LAMPROPOULOS, Vice-President of UEF Greece

At time of crisis, and when speaking about solidarity, it is important to remember that the European Union is a Europe of the Citizens, not a Europe of the States. Federalists know this and must not let it be forgotten. Federalists must raise their voices at this time and let fellow citizens know that a federal Europe is the answer to the challenges we face.

Paolo VACCA, Secretary-General of the Union of European Federalists

The EMU is the only monetary union with a single currency in history that does not possess significant central fiscal powers and leaves fiscal policy entirely to Member States.

For the Euro to survive and thrive lessons must be learnt from other mature currency unions that share risk and possess mechanisms to automatically stabilise the economy in times of crisis. All other existing federal monetary and fiscal unions have in different forms and shapes:

1. Elements of fiscal discipline for Member States
2. A central authority able to tax and spend
3. Risk-sharing mechanisms
4. Private sector stabilisers, like labour mobility and integrated good and financial markets

No other monetary union has an exclusively rule-based approach trying just to coordinate Member States' policies.



The EMU itself was founded on the mistaken assumptions that rapid economic convergence would occur, that a rule-based system could prevent economic crises and create national buffers significant enough to address problematic situations, that monetary policy would be sufficient to lift European economy in times of crisis. This all proved to be false: not every economy became “Germany”, rules were broken or simply ignored, national measures proved insufficient to prevent crisis in individual Member States threatening the greater Union, monetary policy is not enough to drive economic recovery.

Member States currently disagree about what could or should be done to secure the Euro's future. Whatever is decided, it is clear that a route must be found that can bring the Euro from a purely monetary to a fiscal union, with elements of all the features above.

Concretely, the following steps should be followed:

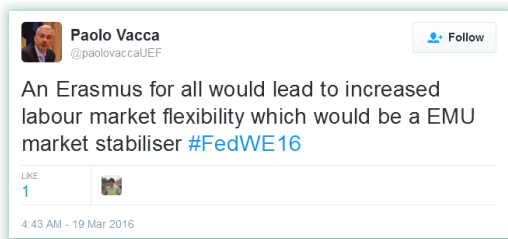
- **National fiscal discipline should continue:**
Current means to control national budgets is unprecedented, even for federal states, but should be continued as a particular feature of the European model. Only 10% of country recommendations are imposed and this figured must be improved upon by increasing the enforcement powers of the European level.

- **Recent stabilisation projects must be continued:**

Particularly the Banking Union must be completed with a European insurance on deposits as a priority.

- **A European Budget must be created for the Eurozone:**

With meaningful own resources and large enough to impact the European economy, to be



used to support states during structural reforms, support anti-cyclical investments in pan-European projects, and support Member States affected by asymmetric shocks. This will require change in Eurozone governance with much greater political accountability, oversight from the European Parliament (including in a configuration grouping the Eurozone MEPs only) and executive powers

transferred away from the European Council and Eurogroup to the European Commission.

- **A paradigm shift must occur:**

Europe must move past coordination of national economic policies to creating the institutions and resources required for genuine economic, monetary and fiscal policies at the European level. Automatic stabilisation tools are also essential.

Georgios PAGOULATOS, Professor of European Politics and Economy at the Athens University of Economics and Business, Visiting Professor at the College of Europe in Bruges

The crisis began with growing macro-economic divergence caused by a total lack of coordination between fiscal policies across the Eurozone. In Italy, Portugal and Spain it was the private sector that was responsible for excess borrowing. In Greece, despite years of economic growth of close to 4%, the Greek public debt remained at around 110% of GDP and public finances accumulated large deficits. Growth had been fuelled by public borrowing and a bubble was created. The years of economic growth were not used for structural reforms of the economy.

Apart from Greece, it was not budgetary expansion in violation of fiscal rules that caused the Eurozone crisis but rather excessive private borrowing. This was aggravated by an inherent weakness in the Eurozone – its inability to prevent macroeconomic imbalances and balance of payment crises.



In a single currency, devaluation for one state alone is clearly not possible and it must be mimicked with “internal devaluation”. This is very painful and very political and means reducing the nominal value of wages, pensions and other payments.

When the crisis hit, peripheral economies took the pain and creditor economies the benefits (albeit with terms attached). This caused recession, if not depression, and unemployment for the periphery. Core countries assumed risk for unserviced debts and implicitly accepted subsidising the periphery by providing credit at beneficial rates. It was bad for everyone and was far from inevitable. Rather, it was the result of the Eurozone’s lack of available instruments to deal with such economic imbalances.

The response that emerged was extremely pro-cyclical. Severe conditions were imposed on Greece including at 70% debt reduction within one year and significant cuts to wages. The measures taken across periphery countries led to a further divergence in economic growth.

The action that should have delivered the oxygen to the economy: monetary policy, came very late. Firms in the periphery attempting to become more competitive reduced wage costs, but gains made were swallowed by the divergence in interest rates as southern businesses were unable to take loans at the ECB’s lower interest rates. This actually deepened the macro-economic imbalances and prevented the periphery economies’ recoveries.



As a result, Greece now faces a 1930s style depression with 27% of GDP wiped out and unemployment having peaked at 27%.

The Eurozone must now be able to prevent imbalances occurring, to spread risk and impose adjustments that enable success and are not pro-cyclical. Concretely:

- The ECB should be able to act as a lender of last resort and be relied upon at times of economic difficulties affecting the entire Eurozone, but it can't be left alone to implement counter-cyclical policies.
- Rules and fiscal discipline alone do not suffice (pre-crisis Ireland and Spain has better fiscal records than Germany). There is a need for real European fiscal policy including some kind of stabilisation instrument. Automatic stabilisers, such as an unemployment support scheme, are essential.
- Massive investment in European infrastructure should be made while interest rates are low. There is a perfect opportunity to support employment and create the conditions for future economic growth.
- There is a need to cut the "doom loop" of transfers of crisis between public and banking sectors. This will mean sharing risks through further financial integration: a banking union with single supervisory and single resolution mechanisms but also a European deposit guarantee system.

The way forward is clear: a fiscal, banking and economic union and a gradually evolving political union. This is not some vague idea, but it will require political courage to move forwards.

Domènec RUIZ DEVESA, Policy Advisor to the S&D Group in the European Parliament Economic and Monetary Affairs Committee

It was always clear that by joining a monetary union the option to devalue a currency to regain competitiveness would be surrendered. However, at Maastricht it was decided to limit the scope of fiscal policy and to leave this competence with national governments – this was a political choice.

The European Stability Mechanism offers loans that will have to be repaid, this is not “solidarity”. Building on the proposals in [the 5 Presidents Report](#), the European Parliament is currently working on a report: “A Budgetary Capacity for the Eurozone”.

There is a strong case for a Eurozone budget to finance temporary deficits at national level that occur as the result of a crisis, it should also be able to fund automatic stabilisers, including a European Unemployment Insurance Scheme. A budget of around 5% of Eurozone GDP would also allow for pan-European public infrastructure investments and measures to ensure economic convergence. Such a large budget would be able to demonstrate true European solidarity, with temporary and permanent transfers between States, rather than simply issuing loans that have to be repaid.



The Parliament’s report examines various options for raising funds. The Financial Transaction Tax (FTT), is one option but lacks the support of key countries like Luxembourg and the Netherlands. The €1bn ECB annual profit could be used as European own resources, but an amendment suggesting this was recently rejected by the European Parliament. Eurozone bonds would only be credible with a Eurozone treasury and European taxes.

There is clearly a need for a political body to ensure democratic accountability over taxing and spending. The maxim: “no taxation without representation” must be maintained, but the reverse should be noted: “no representation without taxation” as the current lack of oversight/control from the European parliament, as opposed to Eurogroup, demonstrates.

Because the Parliament does not match the Eurozone a democratic solution must be found. There is therefore a need for either a Eurozone parliament or exclusive voting for Eurozone MEPs on these issues. This requires treaty change and significant political will and leadership.

SOLIDARITY BETWEEN CITIZENS: TOWARDS A SOCIAL EUROPE AND EUROPEAN WELFARE TOOLS

Speakers:

- **Ioannis MANIATIS**, Member of the Greek Parliament, Former Minister of Environment, Energy and Climate Change
- **Domenico MORO**, Member of the Executive Bureau of the European Federalist Movement
- **Ioannis NASIOULAS**, Founder and Director of the Social Economy Institute
- **Marilena SIMITI**, Associate Professor of Political Sociology at the Department of International and European Studies in the University of Piraeus

Moderated by:

- **Petroula NTELEDIMOU**, UEF Bureau Member



Ioannis MANIATIS, Member of the Greek Parliament, Former Minister of Environment, Energy and Climate Change

Climate change and energy policy will be crucial in developing the European economy of the future and building a social Europe. Europe must agree smart, sustainable development in order to create new jobs. Measures must be spread fairly across Europe to create the conditions within which a real social Europe may be built.

The European social model itself must be restructured to focus on development, growth and social cohesion. Passive policies must become active measures, early retirement pathways should be closed and seniors must be able to remain active workers.

The European social model is characterised by high expenditure in social protection and protection of the weak. 26 million people are unemployed in the Union, living in poverty or below poverty levels. 50 million European citizens suffer from energy poverty, that's more than 10% of all European citizens. 5 million young people are unemployed (with rates over 50% in Greece and Spain). It is time to relaunch the European social model.



All available tools must be used and there is a need for investment in human social capital, to prevent social exclusion and empower the weak. It took centuries to build federate states and supranational identities need to accommodate different identities. It may take many years to develop such European solidarity but it will only take the blink of an eye to return to nationalism.

There is a proposal for a European Unemployment Insurance Scheme (EUIS) as part of a restructuring of the EMU. It should focus on cyclical unemployment (i.e. financing benefits for the first 6 months, up to 60% of the previous wages).

The principle of free movement for all European citizens across all Member States must be protected. The impact on welfare systems in particular states may still be taken into consideration. With liberalisation and the deregulation of markets, there's no alternative to closer cooperation in social policies.

Domenico MORO, Member of the Executive Bureau of the European Federalist Movement

The economic crisis has highlighted the fundamental flaws of the European Economic and Monetary Union. Stabilisation by the market, on which the euro was funded, proved ineffective in the face of a deep downturn and the erosion of political trust. The Eurozone requires automatic stabilisers able to effectively manage the impact of asymmetric shocks to the European economy. The idea of a European



Unemployment Insurance Scheme (EUIS) has become popular among politicians and scholars, but discussions are still marked by deep divergences regarding the extent, scope, purpose and structure of any such system.

The US Unemployment Compensation system provides considerable insight on the stabilising effects that could be expected from an EUIS, as well as illustrating how a federal-level system can be conciliated with a variety of state social regulations.

An overview of the major contributions to the discussion on the establishment of an EUIS illustrates the potential for such a scheme to prevent or cushion future sovereign-debt and economic crises in the Eurozone. This would be achieved by relieving Member States' social systems when their finances most need it and by providing anti-cyclical stimulus.



An EUIS, fully managed at the European level, would be able to cover a significant part of short-term unemployment benefits. A European Fund financed through a common tax rate and hosting European and national accounts would help address the potential for moral hazard. Finally, this construction should be complemented by an institutional overhaul of the EU, giving it exclusive competence in dealing with unemployment resulting from serious economic downturns. The European Commission's legitimacy should be improved in order to allow it to carry out the harmonisation of a part of national social policies.

Ioannis NASIOULAS, Founder and Director of the Social Economy Institute

Solidarity is an essential feature required to solve the current crises. Social economy and social business could act as game changers in this respect.

The EU should base its added value on the promotion of capital-based social enterprises, with the legal form of a corporation. An ambitious deployment of support measures for this type of enterprises could help social initiatives to emerge. They could pursue social, societal and collective aims. Entities are bound by the non-profit constraint, in the corporate part they are set up with the primary aim of creating social and environmental impact, and not profit maximisation.



Capital-based social enterprises have social statutory goals, but they are not identified according to national regulations. This creates a competitive disadvantage, compared to the non-corporate social pillar.

The social business sector is not equally developed with cooperative social enterprises and capital-based ones. Capital-based social enterprises could be attractive to investors. They present not only financial, but also social and environmental advantages. Only capital-based corporations can access banking tools like equities.

The European Union should contribute to the development of the non-cooperative, capital-based pillar of the social business sector, which could emerge as a very promising element of the social economy in the European Union and neighbouring countries. The social economy should not be left to operate as a residual part of the mainstream economy on the local level.

Marilena SIMITI, Associate Professor of Political Sociology at the Department of International and European Studies in the University of Piraeus

The Europe 2020 strategy hopes to move Europe from crisis-effected management to long-term structural growth by promoting smart, sustainable and inclusive growth. However, the crisis has badly affected the EU's progress towards meeting its goals and in 2015 124.5 million Europeans were still living in poverty or social exclusion.

The European Commission sees cooperation with civil society as essential in overcoming challenges related to poverty, social exclusion and unemployment but the ability of civil society to act in these areas is limited. The crisis has had a significant adverse effect on civil society actors, who have suffered standards.



Larger organisations (or “mega charities”) have been better able to weather the storm of suffering negative impacts while demand for their services rises, often as they are able to step in to deliver public services. Local voluntary groups at the grassroots level have been most severely affected.

The crisis has also further deepened north/south divides, organisations in the south have faced more severe cuts than those in the north. While the situation has led more individuals to volunteer and therefore had a certain “mobilising effect” that has benefited some organisations, those who are particularly vulnerable, members of minorities or who feel they are targets of certain cuts have not been transformed into activists by this crisis.

Since the crisis European civil societies have become denser, since multiple new formal organisations and solidarity networks have been established to meet the pressing social needs. However, civic participation as an act of ‘last resort’ is of different nature than regular, sustained participation. Moreover, the capacity of civil society depends to a certain extent on the capacity of states, since states implement policies that either empower or constrain citizens.

A vibrant civil society contributing to the goals of Social Europe presupposes first of all that the associational ability of European citizens is not threatened by social inequalities and social exclusion. Accordingly, effective solidarity between citizens cannot be pursued independently of the successful implementation of solidarity between states.

SOLIDARITY BETWEEN PEOPLES: EUROPEAN SOLUTIONS TO THE REFUGEE AND MIGRATION CRISIS

Speakers:

- **Georgios KYRTSOS**, Member of the European Parliament
- **Yannis PAPAGEORGIOU**, Assistant Professor at School of Political Science at Aristotle University of Thessaloniki
- **Apostolos VEIZIS**, Director of Medical Operational Support Athens (SOMA) , Doctors Without Borders/Médecins Sans Frontières

Moderated by:

- **Daphne GOGOU**, European Commission (Directorate-General Justice) and Chair of UEF Political Commission on Social Europe



Georgios KYRTSOS, Member of the European Parliament

Europe has a history of developing through crises but at the moment crises are following one after another and are having consequences for the economic, political and societal lives in all European countries. The risk remains that southern Europe could return to instability and the far right attempts to exploit the challenges Europe faces.



The lack of a strong European foreign policy only adds to the problems Europe faces as the EU is unable to act with a single voice on related issues on the international stage.

Only Germany has the political and economic strength to alleviate the refugee crisis but there is a political price to pay for all actions, as Merkel has recently learnt. Only more Europe can effectively deal with the challenges posed by the arrival of millions of refugees.

It is important to ensure stability at the national level to prevent the EU from become dysfunctional. National failures should not be blamed when the cause is a lack of European integration.

There are no easy solutions to the flow of migrants arriving and people will likely continue to arrive over the coming years. The current plan is the best that can be achieved and Merkel is Europe's best hope for dealing with this crisis at the current time.

Europe needs a federal strategy for integration. If Europe can successfully manage the negative consequences of this crisis, and help the economy to grow, there will be the necessary preconditions for further steps toward greater EU integration.

Yannis PAPAGEORGIOU, Assistant Professor at School of Political Science at Aristotle University of Thessaloniki

There is certainly a need for a more integrated approach to asylum on the European level, although steps have been made over the past years. At present the fact that asylum policy is a shared competence means that accusations that the EU is unable to deal with the crisis are unfair – the responsibility remains with the Member States for much of the work that needs to be done.

Despite its limited competence, there are European directives aiming to build a common asylum policy but these apply more to the processing of asylum claims themselves and do not establish a single status. Member States still assess asylum applications on a national basis and this has led to secondary movements once people arrive within the EU/Schengen. There is an obligation under international law to protect refugees, but there is no right for refugees to choose the country where they should be protected.

Following the war in the Balkans [a directive](#) was created to offer temporary protection during a mass influx of displaced people but this has never been used, it is a complicated directive but it shows a potential option for coordinated European action that Member States have chosen not to exploit.

It is important to remember that not all Syrians automatically qualify to be granted asylum as international law requires that a specific threat exists against the individual person. An option to offer people other forms of temporary or permanent international protection remains.

The current crisis is a “mixed-migration flow” crisis made up of Syrian, Iraqi and Afghan refugees fleeing war and economic migrants from other areas. This has a large impact on the management of people arriving at the borders of the Union.

The agreement reached between EU leaders and Turkey is confusing and perhaps an example of the EU attempting to both fulfil international commitment and yet return people to a third country. It is difficult to imagine how the proposal will actually function.

One thing is certain: continuing with 28 different asylum systems cannot continue. There is a need for a European scheme to distribute refugees and share the burden. The challenge is not as great as it is made out, some very poor countries host far more refugees and manage. A change of paradigm is required to where solidarity is viewed as a common effort rather than effort to advantage your national interest.



Apostolos VEIZIS, Director of Medical Operational Support Athens (SOMA), Médecins Sans Frontières (MSF)

The title of today's session is important. Solidarity is the core driver of the work that MSF does around the world, including its work now in Europe with refugees. But the title is wrong to call this a "migration and refugee crisis" – this is a crisis of the management of refugees and migrants. It is a European policy-making crisis.

MSF condemns the deal reached between EU leaders and Turkey. Policy should not focus on preventing migration but on the impact on the lives of those forced to flee their homes and seek refuge in Europe.

Europe should not be speaking about the protection of border but rather the protection of people at borders. Building new fences and closing borders is not a solution and restrictive policies have consequences that are passed along from state to state and end in human rights abuses.

Politicians speak about "security" and "disease" but not about providing assistance to the most vulnerable. Rhetoric about human trafficking and smugglers ignores the need to provide safe routes to those in need.



UNCHR data paints a very different picture to that portrayed in some media. 9 out of 10 arrivals are coming from Syria, Iraq or Afghanistan. 60% are women or children. On the border of the Former Yugoslav Republic of Macedonia there are almost 50,000 people waiting in squalid conditions. Thousands of people are dying in the Mediterranean Sea each year.

The medial conditions MSF is treating are most often the result of the terrible conditions experienced *en route* to Europe. It is important to ensure that people arriving are treated with humanity, that we know their names and stories.

MSF's position is clear: there is a need to provide safe passage. This does not mean open borders, it means allowing those in need to reach safety without needing to resort to people smugglers. The EU must not pursue a policy that aims to seal the borders and send people back to Turkey. Turkey cannot become a buffer zone to protect Europe from people in need of the protection of Europe.

Welcome:

- **Yannis SMYRLIS**, President of UEF Greece
- **Philipp AGATHONOS**, Vice-President of the Union of European Federalists

Speakers:

- **Christopher GLÜCK**, President of the Young European Federalists
- **Konstantinos HATZIDAKIS**, Vice-President of Nea Dimokratia
- **Konstantinos KYRANAKIS**, President of the Youth of the European People's Party
- **Pantelis KAPSIS**, Journalist, Member of PASOK's Central Political Committee, Former Deputy Minister of public radio-television
- **Miltiadis KYRKOS**, Member of the European Parliament
- **Dimitrios PAPANIMOU**, Vice-President of the European Parliament

Moderated by:

- **Sarantis MICHALOPOULOS**, Editor-in-Chief, EurActiv.gr

Yannis SMYRLIS, President of UEF Greece

There is now, more than ever, a need for a vision for the future of Europe where the European interest is considered ahead of narrow and conflicting national interests. A clear idea must emerge, Europe must decide between progress to a true political union or a return to the past.

The Financial Crisis and the refugee and migration management crisis have created scepticism all over Europe for the wrong reasons. The old Europe is still alive and the vision of the founding fathers lives on. More Europe is the solution and our leaders must understand this.

Philipp AGATHONOS, Vice-President of the Union of European Federalists

The multiple crisis Europe is facing is a clear signal for the need for federalism. This has become increasingly difficult in a European Union with many member states after the necessary enlargement of the past 10 years. An initiative by a group of countries, around the Eurozone, driven by the six founding countries is necessary.

It is clear that a common space with freedom of movement cannot be combined with exclusive national competence over border management. There are no national solutions and Member States and national politicians must begin to understand this.

Extreme right wing ideology aims to destroy Europe and will not be defeated by the centre attempting to emulate their narrow nationalist policies.

After 70 years of the Union of European Federalists Europe struggles with many of the same challenges our founding fathers faced and now, like then, failure is not an option. These crises must provide an opportunity to progress.

Dimitrios PAPANICOLAOU, Vice-President of the European Parliament

Europe is not stronger now than before the crises and the idea of integration is becoming less attractive. In the face of unemployment, poverty, inequality and decreasing investment there is little economic success and it is not easy for citizens to feel the benefits of Europe.



The structure of the Eurozone is weak and the single currency cannot continue with 18 diverging fiscal policies and no European economic policy. The measures necessary will require the oversight of a strong Parliament and a Eurozone budget equal to at least 1% of Eurozone GDP.

The refugee crisis further illustrates the difficulty of decision making between 28 national interests. A population of 500million should easily be able to absorb a million new arrivals. The lack of direction and Europe's ineffectiveness fuels the problems and enables the extreme right, whose only goal is to destroy that which has been built.

It is unfair to compare Tsipras with Orban. Orban is openly ignoring a decision made within the institutional structures of the Union, Tsipras believe in a future for Europe.



Europe must return to the founding values on which the Union was built and unification must begin once more on a fair basis. Europeans have many shared interests that make integration irreversible but the danger that the project collapses cannot be ignored.

Europe must change because at the moment it is becoming less and less attractive.

Konstantinos HATZIDAKIS, Vice-President of Nea Dimokratia

Europe has become the weak link in the world economy. Europe has huge problems with competitiveness and the population is aging. These challenges must be addressed.

The Euro crisis persists and attention must be paid to it to ensure that the single currency is viable for the future.



Europe is not isolated, crisis in the Middle East are on our doorstep and Europe must be prepared to deal with challenges in the future.

There is a need for action on four crises: competitiveness, aging Europe, the Euro and migration.

Leaders must lead as convinced Europeans. The extreme right threatens to become stronger, especially if their policies effect the policies of moderates. Citizens must be educated about Europe and the benefits of the Union to their lives. How many Europeans understand subsidiarity?

Do we believe in the European construction or not? If we believe in it we must press ahead and overcome populism. The two options are simple: progress or collapse.



Miltiadis KYRKOS, Member of the European Parliament

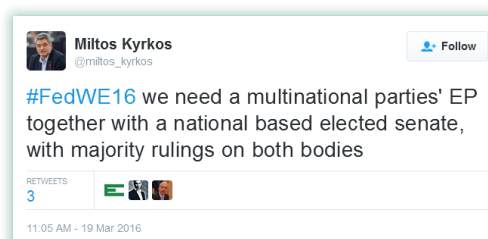
Greece entered the EU in 1981. The Commission said that economic reforms were required but these were never delivered. Instead, Greece gratefully accepted structural and cohesion fund and access to credit and enjoyed the “party atmosphere” without thinking to the future.

The 5 Presidents Report is important, high level governance and sustainable fiscal policies are required at Euro level but they were never created.



In Greece, each government has seen the situation differently but it is Europe’s fault. Europe failed to take responsibility or to show solidarity. The same has occurred with regard to the refugee crisis. Europe has let Member States’ governments take their national interests ahead of the European or human interests and this is unacceptable.

Europe needs a powerful parliament, with a congress including a Senate – not a Council. Europe needs institutions that can act for her citizens.



Pantelis KAPSIS, Journalist, Member of PASOK's Central Political Committee, Former Deputy Minister of public radio-television

Europe has faces crises in the past and extreme right-wing parties have always existed but by now it is not just the European Union that is at threat. The current situation has been compared to the inter-war period. During this time the idea of liberal democracy itself was brought under question. This is exactly what is happening now in Poland, Hungary and even in Greece.



The crisis has taught us that the lack of an institutional framework to deal with economic crisis in the Eurozone was a great oversight. Some crisis management mechanisms, like the ESM, have been introduced but imbalances continue. There is a clear need for fiscal union.

On refugees it is the same. The number of immigrants in Sweden has increased from 15% to 21% of total population and these people must be integrated. It should be noted that the Paris attackers were all second generation immigrants. At present each country has a different approach to integration and lessons must be learnt for the future.

Europe is also experiencing a polarisation of incomes. A few more highly-paid jobs and many many more low-paid ones. A strong middle class is the back bone of democracy and the far right will exploit the current situation.

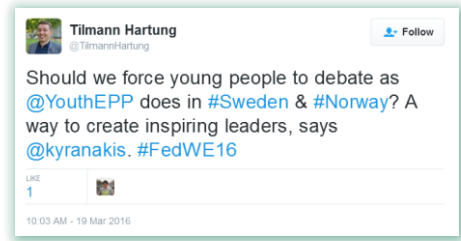
A paradox is emerging that current problems lead to increased Euroscepticism but the same problems require European solutions. Politicians must listen to citizens and ensure sufficient education about European issues.

Actions taken must also be effective. Inefficiency gives value to populists. The difference between Europeans and populists and nationalists is that those that believe they have the answers must produce proposals and demonstrate that they work.

Konstantinos KYRANAKIS, President of the Youth of the European People’s Party (YEPP)

The current generation of young people has received more money that ever from European institutions and yet at the same time is the most Eurosceptic generation of young people since the start of the European project.

The perception of many Europeans is of Europe is of faceless bureaucrats and glass buildings. This must be changed.



On migration, it became clear at the most recent YEPP conference that there is a strong division between members in countries that are taking responsibility and accepting large numbers of refugees and those from countries that are not meeting their obligations. Instead of stepping on the train of populism there is a need for everyone to accept responsibility for the refugee crisis.

There has been talk of returning to what the European founding fathers believed but they themselves



would never have believe in going back. Europe must push forwards. The challenge in doing this, both within the EPP and in the EU in general, is the 28 ego sitting around the table. There is a desperate lack of inspirational leaders.

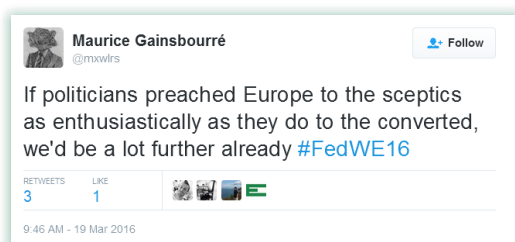
Christopher GLÜCK, President of the Young European Federalists



Europe has not necessarily become stronger or weaker because of the crisis although it is fair to say that the weaknesses that already existed have been exposed.

None of the challenges Europe faces should have come as a surprise. Migration was foreseeable. The Euro crisis was inevitable without a fiscal union. A single market and borderless Europe are impossible without political union. This was not new to federalists.

The migration crisis in particular brings us back to our foundation: a limited geography where challenges are faced and shared between many. JEF calls for a common European asylum system, harmonised benefits, a reform of Dublin, access to legal channels and a European Border Force and Coast Guard.



The Turkey deal is no step forward. We cannot establish a Europe of values based on this kind of deal.

The Eurocrisis was not caused by the Euro but by incomplete integration. Intergovernmental "solutions" have been created but only for the purpose of crisis management. They are not sustainable stabilising reforms. JEF calls for such solutions.

The horrific theatre of the Greek bailout is not how Europe should act and only achieves to pit country against country and pull Europe apart.

Crisis is a Greek word used for a drama. Each drama reaches its peak and then is resolved. We are now at the point where we can begin to resolve these challenges. Focus on the big picture to build the Europe we want.

It is great that politicians can sit in front of a room of federalists and say the things that federalists want to hear but these same messages need to be spoken to a wider public. It's hard to make the case for Europe to a sceptical public and pro-European politicians need to support pro-European citizens in making this case.

“SOLIDARITY BETWEEN STATES: FROM MONETARY UNION TO A FISCAL AND ECONOMIC UNION FOR THE EUROZONE”

COMMISSION DOCUMENT

...as economic growth and confidence return to much of Europe, it is clear that the quick fixes of recent years need to be turned into a lasting, fair and democratically legitimate basis for the future.

[The Five Presidents' Report: Completing Europe's Economic and Monetary Union](#)

European Commission Background document on EMU, June 2015

SPEAKERS' CONTRIBUTIONS

The euro area lacks the tools, powers and resources for implementing effective economic policies at the European level

[Strengthening and Deepening the Economic and Monetary Union within the Current Treaties: Possibilities and Limits \(25 Proposals\)](#)

David Garcia and **Paolo Vacca**, UEF Policy Brief, 2014

There is an ongoing debate on the long-term sustainability of the eurozone and the ultimate objectives of a fiscal union, economic union and eventually a political union, even though the nature of these unions is still unclear. The European institutions have started to acknowledge that the eurozone must have its own budget.

[A Budget for the Euro Area: Objectives, Procedures and Institutions](#)

Domenico Moro, UEF Reflection Paper, June 2015

A more progressive policy shift within the Eurozone [...] would be possible with real European solidarity, burden- and risk-sharing between states, so the euro could operate as more of an economic union. It would be possible with a single budget, a European unemployment insurance scheme, and a single deposit guarantee system.

[Are left-wing policies feasible within the eurozone?](#)

George Pagoulatos, ekathimerini.com, December 2015

The Greek experience shows that sacrifices can be made as the price for a new grand bargain that will secure the euro for a lifetime, and prevent the divide that is growing between the 'virtuous' North and the 'failed' South.

[Desperately hanging on: A euro-crisis view from Greece](#)

George Pagoulatos, European Council on Foreign Relations Reinvention of Europe series, September 2012

FURTHER READING

The way the EU conducts its business is greatly complicated by the diffuse and abstruse nature of its executive. These shortcomings are constitutional. A deepening of the economic and monetary union is scarcely possible under present legal and political constraints

[The Protocol of Frankfurt: a new treaty for the eurozone](#)

Andrew Duff, EPC, January 2016

The euro area needs to take a further step to create a comprehensive fiscal union. In the absence of greater fiscal integration, the strains within EMU are likely to erupt again from time to time.

[How to Fix the Euro: Strengthening Economic Governance in Europe](#)

Stephen Pickford, Federico Steinberg and Miguel Otero-Iglesias, Chatham House, Elcano and AREL, March 2014

“SOLIDARITY BETWEEN CITIZENS: TOWARDS A SOCIAL EUROPE AND EUROPEAN WELFARE TOOLS”

FEDERALIST POLICY

Recognising free movement of persons in the EU as one of the four important pillars of the Single European Market that constitutes one of the core achievements of European integrations so far

[Genuine Free Movement for All – Advancing Citizenship and Welfare Rights across all EU Member States](#) Resolution, JEF Federal Committee, Bologna, October-November 2014

SPEAKERS' CONTRIBUTIONS

...when a serious economic crisis touching one or more Member States occurs, the European Parliament and the Council, on a proposal from the Commission, should be able to approve an extraordinary budgetary allocation aimed at mitigating the costs generated by unemployment on the basis of a contractual arrangement concluded between the European institutions and the country or countries concerned by the intervention.

[For a Federal European Unemployment Insurance Scheme](#)

Domenico Moro, UEF Reflection Paper, March 2015

We already know that Social Economy organizations are good employers, are quite resilient to the crisis and provide ground for business and development experimentation. This alternative economic sector links investments to employment and cohesion. And this is the competitive advantage of Social Economy.

[Social Economy: A Viable Alternative?](#)

Dr Ioannis Nasioulas, Crisis Observatory, January 2015

...collective mobilisations and the proliferation of new informal initiatives are clear signs of public dissatisfaction with representative democracy as a practical political project. In this respect, the proliferation of alternative networks in Greek society reflects both the choice to experiment with new forms of radical activism and the need to provide social support in the context of the crisis.

[‘Social Need’ or ‘Choice’? Greek Civil Society during the Economic Crisis](#)

Marilena Simiti, Hellenic Observatory Papers on Greece and Southeast Europe, November 2015

FURTHER READING

The best options for a predictable and rules-based mechanism of countercyclical fiscal transfers appear to be schemes where EMU Member States would share part of the costs of short-term unemployment insurance.

[Social Europe: Can the EU again improve people’s live prospects?](#)

László Andor, ed. EPC, 2014

...the prevailing view in academic circles and among policy-makers is that intra-EU labour mobility is too low; too low to support the single labour market as anything but a notion and too low to play anything other than a modest role in helping to rebalance the eurozone after the crisis.

[Labour Mobility in Europe: An untapped resource?](#)

Mikkel Barslund, Matthias Busse and Joscha Schwarzwälder, Policy Brief, CEPS, March 2015

Undoubtedly... migration patterns can amplify, or lead to, regional and local shortages of public and social service provision and impact local labour markets. Yet these challenges do not mean that at the macro level migration has fundamentally negative effects or that EU migrant citizens intend to or do exploit the system.

[Migration, EU Citizenship, and Social Europe](#)

Elaine Chase, Social Europe Journal, January 2014

Mobility has proven its positive impact on the economic and social development of Europe. It is also of great importance to our citizens, enabling them to build careers and ensure the well-being of their families.

[Freedom of movement of persons – the building-block of European growth](#)

Radoslaw Sikorski, Policy Paper, European Policy Centre, September 2014

“SOLIDARITY BETWEEN PEOPLES: EUROPEAN SOLUTIONS TO THE REFUGEE AND MIGRATION CRISIS”

COMMISSION DOCUMENTS

We now need to put in a great effort to implement our legislation and ensure this common system will function well and uniformly. Only then we will have an area of protection and solidarity deserving its name — an achievement that we can be proud of.

[A Common European Asylum System](#) European Commission (Foreword by Cecilia Malmström), 2014

Frontex is the EU border control agency. It helps the countries of Europe manage their borders and keep up with changing trends in border control.

[Frontex at a Glance](#) Frontex — European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union, 2015

is clear that we need a new, more European approach. This requires using all policies and tools at our disposal — combining internal and external policies to best effect.

[Communication from the Commission - A European Agenda on Migration](#) European Commission, 2015

FEDERALIST POLICY

...proposals for a European Border Service, including a European Border and Coast Guard, and for a Europe an Asylum Authority must be taken seriously if the European Union is to develop the tools needed to manage asylum and immigration issues in the future. As such steps impact on national sovereignty, their completion is only conceivable as part of a plan to relaunch European political union, according to a clear and definite time frame.

[Building European Asylum and Immigration Policies and a European Border Service](#)

UEF Policy Digest, February 2016

The European Parliament, the Commission and the governments of the Member States [must] do everything in their power so that the European Union proves itself in the refugee crisis and that the European idea is not damaged.

[Resolution on Asylum and Immigration Policy](#) UEF Federal Committee, Venice on 29 November 2015

FURTHER READING

The EU should focus on two sets of thematic priorities: First, to develop rule of law-driven actions towards more effective sharing and uptake of responsibility by member states in rescuing people at sea and providing access to asylum.[...] Second, to devise legal and flexible mechanisms ensuring access to Europe for would-be immigrants.

[What priorities for the new European agenda on migration?](#) Sergio Carrera et al, CEPS, 2015

...the European Border and Coast Guard initiative indicates a misguided EU policy priority focused on external border controls, return and cooperation with third countries as the ‘solutions’ to the refugee crisis. This focus comes at the expense of EU actions to address asylum, humanitarian and human rights challenges and opportunities to enhance EU institutional solidarity.

[A European Border and Coast Guard: Fit for purpose?](#) Sergio Carrera & Leonhard den Hertog, CEPS, 2015

There are three fundamental structural reasons for the failure to deliver a comprehensive and effective EU approach to the refugee crisis: the system of parallel competences [...]; the co-existence of too many actors who want their say in policies and who come from very different policy areas with varying if not conflicting interests; and fragmented, and in some cases, overlapping funding instruments.

[Challenges to a comprehensive EU migration and asylum policy](#)

Raphaëlle Faure et al., European Centre for Development Policy Management, December 2015.

The Member States’ perspectives on the allocation of responsibility for processing asylum claims in the EU are essential to any comprehensive debate, all the more so given that governments understand Dublin as a mechanism primarily unconcerned with the asylum seeker herself.

[‘We Need to Talk about Dublin’ Responsibility under the Dublin System as a blockage to asylum burden-sharing in the EU](#)

Minos Mouzourakis, Refugee Studies Centre, University of Oxford, December 2014

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