

MANIFESTO

PROMOTING SOLIDARITY AND INTEGRATION WITHIN THE EUROZONE

We, the men and women of multiple nationalities and sensitivities, undertake to help safeguard the monetary union and to encourage European integration. In face of this very difficult situation, we all need to take responsibilities. Citizens must be mobilised both locally and nationally, and they must work together at EU level if we are to succeed.

Negotiation of a Eurozone treaty involving candidate countries

There is an urgent need to begin reforming the architecture of the Eurozone to establish a foundation of solidarity and a capacity to govern. This would enable us to clear away the fears of the investors, calm the markets and clean up the balance sheets, while at the same time beginning to restore competitiveness and sustainable development potential throughout Europe.

Yet, the Lisbon Treaty does not allow - on its own- to engage a significant first step and the unanimity rule is a tremendous hurdle whenever a member state wishes to retain its complete independence for its political economy.

That is why the decision of 26 Member States to engage a process of Treaties' reform in order to establish a capacity of economic governance and to reinforce the convergence and solidarities, responds to a necessity. The intergovernmental method was the only possible way through, but it will combine with the community method; and the door remains open for the UK so as to later include the intergovernmental treaty into the Treaty of the European Union.

Three pillars for saving the Eurozone

Our wish is to see the intergovernmental treaty being adopted and implemented rapidly for a first step. Its content and its ratification should take place as soon as the first semester of 2012. Of course, the debate on the content is legitimate. Governance, fiscal discipline and solidarity will be reinforced and the creation of a European Monetary Fund is particularly welcomed. But how could this go along with growth and competitiveness support policies? This work remains to be done. We know that the key tools to do that are community policies – the Single Market and the European budget essentially. The intergovernmental and the community methods will have to be married to allow for both growth and discipline. We consider in this respect that the debate on the eurobonds is not yet over; different options are on the table, let us study them carefully.

In our opinion, the consolidation of the Eurozone should be based on three pillars.

1/ The first, made obvious by the crisis and the sparking of the sovereign debt crisis, involves **the establishment of a common fiscal policy**. Ever since the Maastricht Treaty, the monetary union has been flawed because of a single monetary policy and fragmented and divergent fiscal policies. The centralised monitoring for the restoration of national public finances will have to be thought through, in its planning and resources reallocation, so as to avoid recession and to promote investment. In addition, the Eurozone has to join forces to ensure that the reform of the Community budget, beyond European guarantees on project-bonds provides it with capital that can be used as a lever for short-term economic action aimed at boosting human and productive investments. Eurobonds emissions could be experienced in order to pool resources on common objectives for stability and growth.

2/ The second pillar of EMU consolidation is aimed at restoring **the competitiveness and growth potential of all its members**. The competitiveness gaps between these countries are in fact the underlying cause of disintegration. All of the States in difficulty must make major structural adjustments aimed notably at rehabilitating the industrial sector and professional skills. But no country will be able to succeed in this task without strong cooperation. The signatories of the intergovernmental treaty should be capable of defining common projects and of pooling resources to support them.

3/ The third pillar consists of **a powerful pillar of social investments in solidarity**. The social market economy mention should not hide the need for a profound renewal. The good objectives proposed in the "EU2020 Strategy" should be followed up by the concrete actions needed. We wish to see stated the incentives and participatory means of the social and economic actors, which would allow us to move towards a new social welfare: a renewal of jobs and training, a better use of human capabilities, the facilitation of job access for young people and the construction of professional transitions.

In terms of governance, the intergovernmental treaty should be capable of promoting an economic and financial policy for the Eurozone. Appropriate and sufficient working organs are therefore needed. We think we could start as soon as 2012, by establishing a European Economy and Finance Ministry. It would be co-led by representatives of the Commission and of the States concerned, reaching decisions by overqualified majority and under the control of national and European parliaments.

A pact for internal market renewal and achievement and EU cohesion

Great Britain speaks of defending the integrity of the single market. We too, but one needs to agree on the conditions of its renewal – currently undertaken under the community method. If the integrity of the single market is under threat, is it not because financial liberalization has not been balanced with an appropriate regulation, and competition with cooperation? We undertake to publicise the efforts of the Commission and the Parliament, to become even more involved in a new phase of this work, specifically on financial regulation and supervision, the 'Act for the Single market: together for a new growth' and on projects of European infrastructures reinforcement ("Connecting Europe"). We wish to get particularly involved in a new phase of this work, focused on SMEs and long-term financing, the tax on financial transactions, public goods and the transformation of the single market into a base camp for European companies within the global market.

An immediate need for firewalls

The creation of the European Monetary Fund will go along a new cooperation with the IMF. The president of the ECB has stated that in support for the commitment of the member states to work on a fiscal union, the ECB will fully play its role of lender of last resort for banks and more largely to support the financial stability and sustainable development of the Eurozone.

But the Member States and the Commission will also have to curb the looming recession by proposing a plan to revive investment and social action to prevent further layoffs and unemployment.

Commitments from civil societies and increased accountability of leaders and elected officials

What is at stake for now, is not a new attempt at major constitutional reform, but rather a first step. It is crucial to take over the challenge of the democratic deficit: we urgently need to find a better involvement of the national parliaments in partnership with the European parliament, as well as a better involvement of key players of civil society. The reforms will have to be built upon a high quality information and public debates. We ask that elected officials and political leaders encourage citizens to open their minds, rather than divesting them of their own participation. We therefore believe that it is the duty of the candidates for the French presidential election, as well as of the candidates to the Italian - and other countries- elections of 2013, to promote this matter by presenting their options in a fair and constructive debate aimed at fostering unity.

Beyond the 2012 planned reforms, we will have to go further. Several years will then be needed to get out of the crisis, by reconciling the nations, their unity desire and their commitment for co-responsibility.

We will only be able to build a viable economic and monetary union – in other words a dynamic union built on solidarity, firmly established within a European political union – if Europe's citizens, social and economic players and civil society organisations understand and address the issues and tasks that lie ahead. This is our task to us all, and we are engaging in this battle now.

Paris, 14 December 2011

For Confrontations Europe, Claude Fischer and Philippe Herzog
For the Astrid Fondation, Giuliano Amato and Franco Bassanini
For Bertelsmann Stiftung, Joachim Fritz-Vannahme and Isabell Hoffmann