



**Group of the Progressive Alliance of
Socialists & Democrats
in the European Parliament**

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Jean - Claude Juncker
President of the European Commission
European Commission
Berlaymont building - Rue de la Loi 200, 1049 Bruxelles

Dear President,

Dear Jean - Claude,

We are writing to you on behalf of the S&D Group in the European Parliament to outline our Group's expectations regarding the White Paper on the future of the European Union and the roadmap to be adopted at the Rome Summit on 25 March.

It is no exaggeration to say that we are living a **defining moment of European history**.

Europe's future security, prosperity, global relevance and character as a place of democracy and rule of law all depend on whether the EU 27 remains united, strong and capable of effectively dealing with the challenges facing it now. Many players outside and inside Europe are trying to score short-term political gains by splitting or weakening the Union.

Therefore this spring more than ever, European leaders and European citizens need to remember the past horrors caused on our continent by nationalism, they need to appreciate the strength that comes from unity in diversity, and they need to find new mutual understanding, solidarity and fondness for each other. The world is waiting for a strong message coming from the EU, asserting its own values and looking ahead.

The Rome Summit must be a great new start for a youthful European Union that wants to realise its dreams in a peaceful world but is also sufficiently grown-up to know what it wants to do and how.

Many challenges have accumulated on the EU's shoulders. Already a decade ago, Europe faced longer-term problems of how to manage globalisation, limit environmental depletion and climate change, make the best use of technological progress, increase employment to cope with demographic change, and improve its external and internal security vis-à-vis new types of threats. Then came the global financial crisis caused by a poorly regulated and supervised financial sector. The resulting economic and social crisis was particularly severe in Europe because of pre-existing macroeconomic imbalances and the fair-weather character of our Economic and Monetary Union. We responded to the Eurozone crisis by taking the minimum necessary steps together, but at the cost of major social hardship and erosion of citizens' confidence in Europe's ability to act.

This confidence was further weakened by the EU's slowness in getting the migration challenge under control. The attacks perpetrated in European cities by Daesh terrorists have therefore been easily exploited by far-right politicians who seek to gain power by turning Europeans against asylum-seekers and other minorities.

Nationalists and xenophobes have been emboldened by the narrow victories of "post-truth" campaigns in the UK referendum and in the US presidential elections. The British economy has not yet seen a downturn because Brexit has not yet happened. The illusion of splendid isolation therefore remains appealing to many in the UK, just like the nationalist promises that enabled Mr Trump to take over the White House. With the new US administration's moves to renationalise various policies, withdraw from international agreements and encourage a fragmentation of the EU, **an existential challenge** is now posed to the EU, adding to the destructive efforts of anti-EU parties across our Member States.

We in the EU 27 (and many people in the UK and US) do understand, however, that prosperity is greater in a single market, and global problems like climate change or terrorism can only be dealt with through the EU's clout and through international cooperation. We know from history that nationalism only brings tyranny, violence and misery in the medium-to-long term.

Our greatest present challenge as Europeans is to convince a solid majority of people in each of our Member States that **better European solutions** are the good way forward and that we can solve Europe's problems by acting together. We therefore need a positive, forward-looking plan of common action as EU 27. The European Parliament provided an outline last July with its strategic resolution on the priorities for 2017, and the Bratislava Summit discussed elements of a basic roadmap in September, which is still to be completed with important missing priorities.

The Rome roadmap should be designed and agreed with both a strategic and a practical spirit. It should to be a document through which the EU 27 asserts itself as a **powerful democratic, political, economic, social and cultural entity that is ready to shape a good future for itself, in cooperation with the rest of the world.** The Rome Summit should thus send a message both to European citizens and to partners worldwide: the European Union will act together and do whatever it takes to promote peace, its values and the well-being of its peoples. The

EU continues to stand worldwide for multilevel democracy, for understanding among different cultures and for the Sustainable Development Goals. To this end, the roadmap should include a commitment to strong European initiatives addressing all key concerns of European citizens.

The Commission's White Paper will obviously provide a central basis for this roadmap and it will perhaps be the single most important document of your Commission's entire term of office. We believe that the key initiatives to be set out in the White Paper and in the roadmap could be organised along four main strands: prosperity, security, international cooperation, and democracy.

The European Union as a place of broadly shared prosperity and sustainable development

- In our view, **Europe's new paradigm should be based on the worldwide Sustainable Development Goals for 2030**. This framework is very much in line with the European way of life and it is a comprehensive agenda where the world counts on Europe's continued leadership.
- **A strong European Pillar of Social Rights** - including substantial new elements such as a framework directive on decent working conditions, an ambitious work-life balance package combining legislative and non-legislative elements, a Child Guarantee, and a Social Protocol - is in our view an absolutely essential component for a credible EU 27 roadmap. Europeans want and deserve to be reassured that the single market and the common currency exist in order to improve everyone's living and working conditions and provide good opportunities for all. As you know, a strong cross-party majority in the Parliament has recently adopted the *Rodrigues* report setting out in detail how Europe's labour and social standards should be updated for the 21st century and what means are necessary in terms of legislation, economic policy and financial instruments to achieve this in practice. In our view, swift follow-up through concrete proposals from the Commission's side will be vital in order to re-create the Europe that people want.
- To strengthen Europe's economic recovery and enable sustainable prosperity in the future, a powerful **European investment strategy** is needed, going well beyond the existing Investment Plan for Europe. This strategy should be based on a European industrial policy focusing on key priorities for the future, such as the energy transition, the digital connectivity for all, creative industries, sustainable cities and the implementation of the circular economy agenda. At the same time, this strategy requires an economic policy that ensures sufficient public and private investment at national and European levels to fill existing investment gaps, achieve creation of quality jobs and strengthen citizens' skills to be ready for new challenges. Better targeting and a real European scale of the EFSI, full use of the European Structural and Investment Funds, implementation of an expansionary aggregate fiscal stance at the Eurozone level and explicit articulation of a European industrial policy should be the first steps under this investment strategy.

- **Completion of the Economic and Monetary Union** is necessary and urgent in order to heal some of Europe's main economic and political vulnerabilities and to restore win-win dynamics of upward convergence. This should not be seen as a divisive subject among the 27 but as a necessary response to the threat for the EU itself that a fragile EMU would continue to represent. This is also the right time to ensure proper democratic accountability for the decision-making process in the EMU. A Eurozone fiscal capacity should be established to strengthen structural convergence already in the short term and to mitigate economic shocks, along the lines of the EP's forthcoming reports (*Berès-Böge, Bresso-Brok*). Furthermore, the Banking Union must be completed swiftly, notably through the creation of a reliable backstop for the Single Resolution Fund and an agreement on the introduction of a European Deposit Insurance Scheme. Further steps also need to be taken in the context of financial assistance programmes to ensure that stabilisation of the EMU is not dependent on the involvement of the International Monetary Fund.
- **Stepping up the fight against tax evasion and tax avoidance** must remain a priority for the EU 27 that is serious about social fairness, equality of opportunity and the public sector's ability to act. Key commitments in this respect should include smooth adoption of requirements on public disclosure of worldwide country-by-country reporting information by multinational enterprises, swift adoption of a Common Consolidated Corporate Tax Base and the establishment of a minimum corporate tax rate, rapid implementation of the Anti Tax Avoidance Directive and of the agenda against base erosion and profit shifting as well as legislative proposals on binding rules for tax advisers and intermediaries and on the protection of whistle-blowers. European company law should also be revised to prevent adverse tax and social consequences in cases when companies relocate their administrative seat.

The European Union as an area of freedom, security and justice

- We share the objective of greater **European autonomy in defence capabilities** and we support greater integration in this field, including as regards common management of operations, joint procurement and cybersecurity. The Common Foreign and Security Policy should be thoroughly revised in order to establish a strong collective defence principle and ensure effective financing, while maintaining full coordination with NATO and strengthening partnerships with our Southern and Eastern neighbours.
- The **European Border and Coast Guard** must be fully implemented and **the Entry-Exit System and the Common European Asylum System** must be adequately developed in order to ensure a safe and well-managed "European border" where human rights are respected and through which European protection is provided to people who need it. Real solidarity among the EU 27 on these issues is very important and all Member States must take their share of responsibility in both objectives. Secure external borders and a functioning asylum system are necessary corollaries of the Schengen Area, which is a

major achievement of European integration. Europe also needs to continue strengthening cooperation with third countries under the Migration Partnership Framework, including as regards direct resettlement and other legal and safe avenues, fight against smugglers, and effective returns of people whose asylum applications have been rejected.

- In the **internal security** field it is essential to ensure implementation of existing measures, thorough assessment of their impact and effects and an evaluation of possible future synergies across the Union. Free movement of citizens must be further promoted, including through greater recognition of the content of public documents issued in other Member States.
- Finally, we want to underline that Europeans' feeling of security does not depend only on being secure against physical violence but also on having decent prospects for their lives and those of their children. Considerations of **socio-economic security** bring us back to the priorities we have spelled out under the topic of prosperity. Moreover, all people living in Europe need to know their fundamental rights and must be able to rely on the **rule of law** and on proper functioning of the democratic systems and institutions that govern them across the Union. Greater attention also needs to be paid to socio-economic integration and inclusion of refugees and other migrants, including through education and training.

The European Union as centrepiece of a cooperative international order

- At a time when the Trump administration is taking steps on a daily basis to upend the existing system of international relations and when nationalist tendencies are gaining strength in many other places too, the world needs to hear and see that **Europe remains an active, cooperative and strong global player** whose external action is driven by values, respect for international law and commitment to the Sustainable Development Goals.
- It is time for Europe to build on its Global Strategy and shape our multipolar world by **strengthening the multilateral system** and promoting the EU strategic partnerships with other countries and regions in order to build up cooperative solutions for common global challenges. The EU's instruments for development cooperation will also need to be strengthened to support the implementation of the SDGs, with priority attention to Africa. At the same time, we must not forget our immediate neighbours, such as the Western Balkans countries, who need continued support on their European path, including a credible prospect of EU accession upon fulfilment of the necessary criteria.
- **EU trade policy** should be re-founded and put in a comprehensive framework of Europe's external policy, our big interest in the worldwide achievement of the 2030 SDGs and implementation of the Paris Agreement, the need for a more proactive industrial and investment policy for Europe itself and the imperative of a more equitable distribution of gains from trade. Cooperation in the fight against tax evasion and tax avoidance must

become an integral part of new trade agreements. The European Parliament must be better involved and transparency must be further improved in all stages of future trade negotiations. On this basis, Europe can become more proactive in developing trade and investment agreements with partners in Asian, African and Latin American countries.

The European Union as a place of multilevel democracy and enhanced sovereignty

- Faced with the rise of chauvinism and authoritarianism in many parts of the world, the EU 27 would do well to reaffirm strongly its strong commitment to basic **European values** of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities, and its shared determination to build a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail (as per Art 2 TEU). Likewise, the EU 27 should restate their commitment to the European Convention on Human Rights, the EU Charter of Fundamental Rights, existing international law on civil, political, economic and social rights, and ILO conventions. We should invite all our international partners to continue working together in the framework of the **international legal system** we have jointly developed.
- It should be clarified once and for all that Member States can only be strong if Europe is strong. The EU is based on the principles of conferral and subsidiarity, but Member States are so interdependent and face so many global challenges that national sovereignty based on democratic choices is only achievable in the context of *European sovereignty*, i.e. Europe's ability to control its destiny, take common decisions and implement them. For this reason, it is crucial to reaffirm the **commitment of the EU 27 to the Community method**, which best enables to articulate the common European interest and where citizens exercise democratic control over national governments represented in the Council as well as through the European Parliament, which also elects the President of the European Commission.
- **The EU 27 must remain united and defend its common interest throughout the process of Brexit.** We support the three-stage approach of the EU 27 chief negotiator, Mr Barnier, in which the withdrawal process must be completed before a new relationship is agreed, and a transitional period is foreseen in-between. Full involvement of the EP throughout this process is of course paramount. We respect the UK decision and will seek to maintain a correct relationship to promote our shared values and interests in the future, but we will remain vigilant in safeguarding EU interests on the many issues at play, including as regards the rights of EU citizens, the EU budget, cooperation on tax matters and other conditions for access to the Single Market.
- The Union's ability to act also depends on improving its internal functioning and **making an effective use of the possibilities afforded by the Treaties.** The forthcoming EP report on this subject (*Bresso-Brok*) points to a number of possible improvements regarding

inter-institutional relations, economic governance, deepening of the EMU, the single market, the CFSP, a common defence policy and justice and home affairs. The White Paper and the Rome roadmap should make maximum use of these recommendations, notably regarding enhanced cooperation, greater use of QMV and a stronger involvement of the European Parliament.

- Further steps must also be identified to **make the Union more transparent and better known by the average citizen**, such as by supporting pluralism, quality and the European dimension of the media industries as well as initiatives of participatory democracy, education for EU citizenship and prevention of hate speech.
- Finally, the Union's practical ability to act and deal with shared challenges depends heavily on the availability of a Union budget. The MFF 2014-20 has quickly proven insufficient and a myriad extra-budgetary instruments have been put in place. The need for **stronger genuine own resources** has long been apparent and must now be addressed through concrete legislative proposals, based on the recently finalised report of the High-Level Group chaired by Mario Monti. Our Group obviously has a preference for socially progressive options, such as a European corporate tax, a carbon tax or income from seignorage. We also urge finalisation of the basic agreement and the corresponding legal text on the Financial Transaction Tax.

We consider the above set of European initiatives both feasible and necessary. We count on your strong determination to put forward a White Paper with these initiatives at its core. We understand that building a common future as EU 27 is only possible on the basis of a common strategic choice by the Member States and EU institutions, and that you may wish to spell out several different options for Europe's future integration as a basis for that choice. Nevertheless, we consider it important that the White Paper and the outcomes of the Rome Summit go beyond institutional options and contain clear proposals for concrete policy initiatives along the above lines.

As you know, Socialists and Democrats have played a decisive role in developing the European project since the very beginning. We are willing to work with you and other pro-European forces towards a powerful roadmap to be adopted at the Rome Summit.

We hope for everybody's good understanding that it would be a big mistake to put forward a predominantly neo-liberal set of proposals that ignores considerations of social fairness, solidarity, socio-economic security and the important role that the public sector and not-for-profit entities play in the economy. Likewise, it would be a big mistake to refrain from game-changing proposals concerning the Eurozone's fiscal capacity and genuine own resources for the EU budget.

It is because we take Europe's problems seriously that we insist on a White Paper that shows bold and progressive leadership. This is in fact what a vast majority of Europeans are waiting for.

Yours sincerely,

Handwritten signature of Gianni Pittella in black ink.

Gianni Pittella
President of the S&D Group

Handwritten signature of Maria João Rodrigues in black ink.

Maria João Rodrigues
Vice-President and Parliamentary Secretary
of the S&D Group