

# Un Manifesto per l'Europa

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# Context

- The ongoing war in Ukraine and the US-China conflict
- The tragedy in the Middle East and the potential of a new instability spiral
- In this new world, the EU needs to assert itself as a third global actor promoting multilateralism over crude power politics
- Hence, ahead of the European Elections, EU should handle epochal questions over its future.

# Diagnosis

The European socio-economic and institutional model is unsustainable: **3X2**

- excessive dependence on external demand → **2%** of GDP CA surplus
- drift away from the technological frontier → EU strong in **2** out of 10 leading technologies
- stagnant demography → **+2Y** median age in 10Y

## Possible consequences

- losing the leadership in the fight against climate change
- progressive undermining of social cohesion.

# What not to do

- Deny the climate emergency
- Settle with rear-guard mercantilism
- Flirt with technological protectionism
- Give up international value chains
- Give in to demographic autarchy
- Outsource our defence and security

# What should be done

## *“Gradual and Pragmatic Federalism”*

1. Reforming EU budget with central fiscal capacity to produce European Public Goods
2. Developing an EU industrial policy to change the EU production model
3. Approving new fiscal rules to promote convergence and sustainable growth
4. Building deep European financial markets based on a safe asset
5. Revamping state aid to strengthen the Single Market and improve EU's global role
6. Implementing a common education and training strategy to integrate migrants
7. Ensuring EU security and defence policy within NATO, but with sufficient autonomy.

# To do all that

The seven points aim at changing the rules of the economic game.

We also need to change the rules of the institutional setting:

- Rethink the *voting system* of the EU Council
- Make sure that isolated dissent does not equal a *veto*
- Envisage a *variable geometry* configuration in well defined policy areas.

Treaty changes are **necessary** but can be preceded by important steps

# Political conditions

- Small MS and MS who do not know they're small
- Policies have to be robust to “November 2024”
- Recreate the veil of ignorance (Rawls)
- Two-way solidarity (Habermas)
- Reduce the political discount rate: **Triple T** (Threat + Time + Trust)