

A democratic union of peace, prosperity and progress

2013 is a crucial year for a progressive Europe. After the socialist victories in Slovakia, France and Romania in 2012, the elections in Italy and Germany might change the balance in the European Council, paving the way for a progressive majority in Europe after the 2014 European elections. The Paris declaration and the launch of the Renaissance for Europe initiative in March 2012 focused on the need to go beyond austerity policies, drawing the lines of a new and more balanced course for a Europe of stability, growth and solidarity. In Turin we want to elaborate our vision of Political Europe: a Union of democracy based on shared sovereignty, which is essential to address the crisis, empower the citizens and restore confidence in the European project. What we want to deliver is a Union of progress and prosperity for all, with a strong mandate from the European citizenry.

Reshaping the fundamentals: Developing democracy

The economic and financial crisis has highlighted the weakness of the governance of the Euro. The introduction of a common currency has not been underpinned by the completion of a true economic union. Hence even though the Euro has become an important symbol of the progress of integration, it has failed to become synonymous with European security, stability and scrutiny. The lack of appropriate institutional architecture meant that there has been a trade-off between intergovernmentalism of resources and community method of rules. The first envisaged channelling financial aid from the member states through intergovernmental bodies. The second leaned towards stricter rules of fiscal discipline at EU level and the subsequent implementation of the austerity policies. This set-up has proven to be ineffective both politically and economically. It has not enhanced financial stability and fiscal sustainability. Instead it has triggered a vicious circle of recession and worsening of public finances. The economic and above all social consequences of it are devastating. The democratic deficit of EU policies has spilled over into the Member States, undermining not only public support for the European project but also for national democracies. A Union of fiscal rules managed by technocrats cannot go beyond austerity and deprive citizens of their right of self-determination. A sense of security has to be anchored in a financial discipline and mechanisms which are sustainable and not subjected to permanent negotiations within and between member states. Continuous bargaining only further undermines European solidarity. It incentivises a model of governance based on balance of power and a hierarchy based on wealth, while putting national democracies on a collision course between those who perceive themselves as shouldering others and these others who feel to be governed by the former.

The paradox is that the attempt to protect national sovereignty and avoid fiscal transfers has produced a system of governance which is less effective, more intrusive and less respectful of state

sovereignty than any of the existing federal models, while at the same time risking more expense for taxpayers.

Restoring Legitimacy: Empowering Europeans

A genuine Economic and Monetary Union needs a different model of governance, based on the following elements:

a balanced implementation of the Stability and Growth Pact reconciling fiscal responsibility with growth and employment, safeguarding public investments and public services, while pursuing deficit and debt reduction;

a stronger and more balanced coordination of economic policies at EMU level and new and enhanced EU policies;

a comprehensive banking union and an active European Central Bank to promote financial stability and an effective regulation of financial markets to incentivize long term investment instead of speculation;

economic policies have to be accompanied by a solid set of responsible social policies, which become binding targets reflecting pledges of progress and prosperity for all. This is why a new Social Pact should be framed in such a way that it becomes a guarantee for all Europeans. The autonomy of social partners and their role must be safeguarded and strengthened, promoting the emergence of European social dialogue.

an adequate budgetary capacity, based on own resources, to promote growth and competitiveness and to address cyclical and structural imbalances supporting social and territorial cohesion;

a borrowing capacity to give stronger foundations to financial solidarity and support debt redemption.

This model of governance requires a better and clearer division of competences and resources between the EU and the Member States, and stronger democratic legitimacy and accountability at both levels. It must not be based on intergovernmentalism but on the EU institutions and the “Community method”, with a strong European Commission acting as a true government and full co-decision between the Council and the European Parliament. The EU and EMU budgetary capacity must come from own resources clearly linked to EU-generated wealth and specific regulatory functions connected to Union’s competences. Member States should keep responsibility for the implementation of economic policy guidelines co-decided at EU level, and on national budgets within the boundaries of EU’s fiscal framework.

Sharing sovereignty on a democratic basis is the only way to recover it and empower the citizens. The European Parliament and national parliaments shall be the driving forces of this process and shall fully cooperate, while exerting their prerogatives at their respective level, according to the principle that democratic legitimacy and accountability must be ensured at the level at which decisions are taken and implemented.

A genuine Economic and Monetary Union requires a Treaty change to be completed. We call for the establishment of a Convention during the next legislature, which could be an opening of a new phase of deliberations on the European Union's future. But this outcome needs to be prepared by the swift and full use of the tools of the existing treaties (from enhanced cooperation and article 136 TFEU to the flexibility clause), and by a broad public debate involving civil society, social actors, political parties, the European Parliament and national parliaments. The progressive foundations shall promote such debate and draw their contribution and proposals for a genuine EMU in a democratic Union.

Reviving ambition: Providing hope

Better and stronger EU policies are not possible without true EU politics. A fiscal and economic union requires a political union. An EU wide public sphere must emerge with a view to enhancing European civil society. This unity of the citizens of Europe shall fully respect and enhance the value of cultural pluralism and national diversity. But at the same time it shall frame the debate and the EU decision-making process along crossnational political and ideological lines instead that along national divisions.

Legislative elections at Member State level must be fully conceived as a part of the EU political process. European elections have to be seen not as mid-term tests for national parties in 28 Member States, but as the moment in which the EU citizen chooses the direction for Europe and offers a democratic mandate to the European Parliament and the European government.

The PES has already decided, before the elections, to appoint a "top" candidate for the post of President of the Commission. We invite all the European parties to do the same, following the resolution approved by a large majority in the European Parliament. The appointment of top candidates must be linked to the presentation to the voters of alternative political platforms focused on European issues, and subscribed to by the national parties and their candidates for the European Parliament.

The politicisation of the Commission and the Europeanization of the elections to the European and national Parliaments are crucial steps towards a political Union, but they are not the only ones. Direct participation of the citizens in the EU decision making process must be promoted and strengthened. The European Citizens' Initiative has to become an ordinary tool for involving civil society and political parties in political campaigns on transnational basis. Strikes and social battles must be conducted at EU level, counterbalancing the growing role of lobbies and vested interests in the EU decision making process with the weight of citizens and workers. Socialist and Democrat political groups in the European parliament and in national parliaments must promote strict cooperation, as with the PES and national parties.

Young people must be the driving force in the process leading to the construction of a true European polity. As such, initiatives that are focused on equal and relevant opportunities, such as the European youth guarantee or the Erasmus programme, should be seen as an investment in the Union's collective future. Progressives should cooperate to promote cross-border dialogue and exchange programmes, which would allow horizontal circulation of best practices and national experiences, strengthening the European spirit and the progressive family. It is a way to restore the significance of partisanship and enrich it through bringing a pan-European dimension to political activism. This could be realised by establishing a progressive partisan Erasmus, which through the collective efforts of the European parties, would enable internships and exchanges of activists among national level organisations.

The global economy requires supranational democracy. A Political Union is the condition to give Europe an effective and legitimate model of economic governance that promotes stability, growth and solidarity. A Democratic Union is indispensable to provide Europeans with a voice and possibilities to shape the world they live in. The pledge of "Renaissance for Europe" is a credible proposal on how to realise this ambitious dream.