

## STRATEGIC OPTION 3: **MOVING AHEAD AMBITIOUSLY** (doing more and doing it better)

### ***The basic rationale***

Supporters of this option argue that simply consolidating past achievements will not be enough: the crisis is not over, much more needs to be done to tackle its root causes, and the EU must be more ambitious. Further integration (with more powers for the EU to deliver effective policy responses to address key challenges), measures to boost the Union's democratic legitimacy in the public's eyes, and an honest transnational public debate about the EU's future are vital not only to overcome the crisis but also to prepare for future challenges. This will require significant changes to the EU Treaties, but will have to be done cautiously, step by step, to avoid creating new dividing lines between EU countries. An increasingly multi-speed approach seems likely, but a permanent 'multi-tier Europe' must be avoided.

### ***Key potential measures under this option***

#### **• To strengthen financial and economic cooperation:**

- > Intensifying macroeconomic coordination and introducing economic guidelines setting the Union's multiannual priorities prepared by the Commission and adopted by the Council and the Parliament.
- > Increasing the EU budget and allowing the Union to raise at least some of its own revenue, although spending priorities/ceilings would still need to be agreed by all Member States.
- > Creating a 'Budget Tsar'/'Super Commissioner' with the power to reject/veto national budgets if they do not comply with European rules.
- > Completing a limited banking union based on a Single Supervisory Mechanism and a common European resolution mechanism with a financial backstop able to use resources from the European Stability Mechanism.
- > Introducing short-term European public debt issued jointly by euro countries (Eurobills) and/or some mutualisation of debt in the euro zone, with strict conditions attached (Redemption Fund).
- > Establishing a fund to provide counter-cyclical financial aid to help countries withstand national economic shocks that could undermine the stability of the entire euro area.
- > Incorporating the ESM and the fiscal compact treaty into the EU treaty framework.

#### **• To strengthen the EU's political-institutional setting and its democratic legitimacy:**

- > Electing a limited number of (extra) MEPs in a single constituency on the basis of a transnational EU-wide list of candidates, which could also generate candidates for 'top' EU jobs.
- > Establishing a clearer, more direct link between European election results and (s)electing the Commission president; reducing the number of Commissioners, and giving the president more leverage in choosing them.
- > Extending MEPs' powers, especially in areas where the EU now has more authority, and creating a 'euro committee' within the European Parliament for MEPs from euro-zone countries with special decision-making powers.
- > Involving national parliaments more closely in EU policy-making at both national and European level.

- > Changing the rules for amending EU treaties to allow them to enter into force even if some Member States have not ratified them.
- > Holding a European Convention to debate the EU's future, involving government and Commission representatives, plus national parliamentarians and MEPs.
- > Introducing a more coherent representation of the EU in international financial institutions such as the IMF, World Bank and G20.

## **Main advantages and disadvantages**

### **Meeting the socio-economic challenges:**

- + Advocates of this option argue that a reactive crisis recipe will not be enough to address the socio-economic challenges facing Europe: more ambitious measures, including automatic stabilisers, some form of joint financial liability and a relatively strong banking union, are needed to stabilise and gradually improve the economic situation, thereby stimulating growth, reducing the threats to social peace and narrowing the economic gap within the EU.
- There are three main lines of opposition to this approach, with some arguing it would not go far enough to help those suffering now because of the crisis or to restore the EU's credibility; others insisting it would lead the EU in the wrong direction and reduce governments' willingness to introduce much-needed national structural reforms; and others warning that attempts to agree the required changes to the EU Treaties could not only lead to yet another reform deadlock, but also provoke an even more severe crisis than the one Europe has just been through.

### **Meeting the political-institutional challenge:**

- + Advocates say this option would enhance the Union's legitimacy in the public's eyes and increase interest in European elections and policy-making, boosting support for the EU and countering challenges to traditional concepts of political representation. 'Personalising' and 'politicising' the EU would strengthen European democracy.
- Opponents insist EU history shows this does not work in practice (with more power for the European Parliament matched by falling turnout at European elections) and could backfire if the EU lacks the tools to deliver concrete results, fuelling public disillusionment – and it is very unlikely to get such powers in the current climate.

### **Meeting the societal challenges:**

- + Supporters of this option say a public debate about the EU's future is vital to counter resurgent national stereotypes, chauvinism etc. This must take place in public via a European Convention with a comprehensive mandate to develop a new treaty. This would raise awareness of the EU's (potential) added value and give people a clearer picture not only of its strategic goals, but also the limits of the integration process.
- Opponents question whether such a public debate would in fact help to develop a new 'narrative' for European integration and bridge divisions. They warn that it could backfire by exposing

significant differences in Member States' positions, undermining integration successes of the past or hampering cooperation in other areas.

***Meeting the external-global challenges:***

- + Advocates of this option argue that a readiness to reform the EU's institutional architecture would provide an opportunity not only to tackle the crisis more effectively, but also to enhance foreign and security policy cooperation at EU level.
- Opponents argue that Europe's role as a regional and global actor would be further undermined if the EU gets bogged down once again in 'navel-gazing' through a cumbersome and time-consuming reform exercise.