

Europe, think the unthinkable!

The COVID-19 crisis has dramatically affected Europe and the wellbeing of its citizens. The European Union has become the epicentre of the pandemic and enacted severe measures to contain the spread of the virus. While absolutely necessary, these measures have had significant consequences on the European way of life: social distancing, widespread restrictions on freedom of movement (both domestically and internationally), restrictions on civil liberties and to democratic parliamentary processes, economic and social disruptions, to name a few.

We welcome the measures already taken to address the crisis. The European Commission swiftly established a coronavirus response team, as well as expanded the scope of funds and instruments in the EU budget to support some immediate actions for the crisis. It has also temporarily waived State aid and fiscal rules to allow Member States to finance unprecedented spending plans supporting citizens and their healthcare sectors, workers and businesses. And it has sought to maintain the integrity of our Single Market by reducing border controls to a minimum, allowing for healthcare products and materials, as well as food supplies, to be traded seamlessly. The European Central Bank, for its part, launched a new Pandemic Emergency Purchase Program to support Member States' increased need for deficit/debt spending, thereby protecting the integrity of the Eurozone during and beyond this crisis. And a most welcome concrete sign of solidarity has come from European regions, who have shared the care of some severely ill patients, demonstrating yet again that we are only as strong as we are united.

But this is not enough. The European Union has no competence on healthcare, and only a supporting competence in public health, whereas the effective coordination of transnational emergencies would require rapid, supranational action. Lacking a European Government with adequate European instruments, national governments have been left to protect their own citizens and interests as well as they could, and so many have been overwhelmed. With every Government for itself, the COVID-19 crisis has shown - if there was ever a need - that reliance on international cooperation for crisis management makes our response less effective, less cohesive, less targeted. We must act as one Europe, we must act as one World.

As European federalists, on the 70th anniversary of the Schuman Declaration, we stand by the words of our forefather: "World peace cannot be safeguarded without the making of creative efforts proportionate to the dangers which threaten it". Peace and stability in the world have always been a fragile construction, held together by the will and commitment of engaged citizens and visionary leaders. We therefore propose the following ten measures, both urgent and with long-term effect, to exit the COVID-19 crisis in unity, peace, and good health:

1. As a matter of urgency, **Europe must ensure a more effective and coordinated response to the COVID-19 threat.** At this particular moment, this means that **the European Commission should be able to issue rules applicable across the EU** on measures to be applied by the Member States to combat the virus, including on a **coordinated approach to lifting the containment measures**, based on measurable milestones and the ability to revert to stricter measures across the EU and/or in the affected areas, should there be an acceleration in the contagions.

2. **The Union should abide by its own obligations**, stemming from the EU Charter of Fundamental Rights, **to ensure a high level of Human health protection to all EU citizens and people living in the EU**. Therefore, **the EU should be entrusted with real competences in the field of public health**: the Commission, as the Government *in fieri* of the Union, should have the competence to coordinate the response to epidemics and develop strong mechanisms for responding to transnational public health emergencies; to this end, the EU should set adequate standards for public health, and even possibly health care delivery; lastly, **public health should be a shared competence between the EU and its Member States**.
3. **The COVID-19 virus won't really be defeated until there is a vaccine, or at least a cure to counter its most severe effects**. This virus affects the whole of humanity, thus a **European research consortium should be set up to work towards a vaccine or a cure, together with other teams in the world**. This consortium, as well as a joint global effort, requires adequate EU and national funding, shared priorities, and coordinated governance, so as to avoid duplication and allow a possible scale-up of industrial production as soon as possible.
4. It is essential to **ensure the unity of the European Union, its Single Market and the functioning of the Schengen Area**. **All decisions to reintroduce internal border restrictions between Schengen countries must be reversed, as soon as possible**. **The virus knows no borders**. The most effective and proportionate containment strategies involve social distancing, hygiene measures, temporary lockdowns and quarantines until the spread of the virus has slowed down to an acceptable pace, if not halted altogether. The closure of borders is strongly impacting daily life of people, particularly the ones living on cross-border regions in which the consequences of such measures are dramatically more visible. **The smooth functioning of services, such as food provision and health care, are all the more essential at this moment**. The unity of the internal market, as well as the free movement of people and goods, especially relevant in cross-border regions, must be ensured.
5. In the absence of a European Treasury with the tools and capacity to deliver the necessary fiscal stimulus to a frozen economy, the EU - and at the very least the Eurozone - should immediately adopt a series of **extraordinary and coordinated fiscal measures to mitigate the most immediate socio-economic effects of the current crisis, decided jointly in a democratic fashion**. This goes well beyond the extraordinary asset purchase programmes by the ECB. In the framework of the EU Treaties, such measures could include: **enlarging the scope of the European Stability Mechanism to finance - without undue macroeconomic conditionality - the immediate strengthening of European health systems, mobilising European temporary support to national unemployment systems, extraordinary support to European companies through the European Investment Bank**. In addition, **the Eurogroup should improve the transparency and accountability of its working methods**, and on the medium-term should be fully integrated in the EU Treaty framework. We welcome EU national leaders' recent support for these measures, and urge the Parliament and the Council to adopt the relevant legislation with the necessary urgency. The economic and financial stability of the EU are at stake.

6. According to most estimates, this is set to be the worst recession to hit Europe - and the world - since the 1929 Crisis. **The recovery effort must be commensurate to the severity of the economic slump, all the while seizing the opportunity for a transition to a sustainable and carbon-neutral Europe. The Council should immediately approve a Multiannual Financial Framework for 2021-2027 of sufficient size,** increasing the budget to at least 1,3% of the EU GNI. The priorities of the next long-term EU budget should include the transition to a carbon-neutral economy, the digital transition, the resilience of the EU's productive capacity and strategic autonomy of its industry, reinforced spending for European citizenship and democracy. As the crisis affects the tax revenue of Member States, its financing cannot solely rely on national contributions, and **must include new and genuine own resources.** In addition, the European Commission should raise the necessary capital on the markets, or **European Recovery Bonds**, backed by the EU budget and **aimed at financing a joint and comprehensive European anti-crisis Recovery Fund** social cohesion and a sustainable transition, in a flexible way but with a significant portion of grants. If there was ever a moment to overcome our divisions, this is it.
7. **The rules that the EU sets candidate countries need to be lived by current members.** The recent violations of the rule of law, some taken under the cover of urgency measures, are not only threatening the democratic life of citizens living in specific regions. The longer the violations are tolerated and not addressed by EU institutions, the more these will hurt Europe in the long-term. The EU's foundation on the rule of law needs to be reinforced **by introducing a European Review Mechanism on Democracy, Rule of Law and Fundamental Rights and by revising the Art. 7 procedure.** Furthermore, **the next Multiannual Financial Framework should introduce conditionality**, i.e. the possibility to suspend EU funds when a Member State violates the rule of law and fundamental principles of the EU.
8. **The European Union needs the tools to step up and become a valuable global player with a single voice. The EU must lead by example providing a model towards a global governance based on peace, rule of law, human rights and sustainability,** in a world rife with persistent and new multiple supranational challenges, of which Covid-19 represents a dramatic example, impacting on the daily lives of people as global citizens. The Commission as well as the Council need to **adopt a new coherent agenda for human security and sustainable globalisation**, to tackle climate change, human rights abuses, threats to health and inequalities. The intersection of insecurities is also deepening the critical conditions of the weakest groups of society, within and outside the European borders. The European Union needs **a modern and functioning common asylum and migration policy** while **overcoming the emergency living conditions of refugee camps** with their evacuation, the relocation of asylum-seekers and the safeguard of their rights. We must overcome the current stalemate, and the Council in particular needs to engage in good faith with the negotiations and speed up adoption of the forthcoming New Pact on Migration and Asylum.
9. **European public goods should be financed by genuine European resources:** the health of European citizens and research funding, the good functioning of the Single Market and of the Economic and Monetary Union, an industrial policy geared towards a sustainable and digitally-advanced economy, the protection of the environment, the

integrity of the Schengen area and a human rights-based asylum and migration policy, are all examples of policies where significant economies of scale and added value could be provided by coordination and funding at European level. **The EU** - or, to the very least, the Eurozone - **should be able to raise and spend its own fiscal resources**, such as a carbon tax, a minimum corporate income tax and digital tax, or a financial transaction tax. The power to raise fiscal revenues should be accompanied by **the power to issue genuine European debt on the market - or Eurobonds** - to give the Union the means to its ambitions.

10. **The planned Conference on the future of Europe should deliver a political mandate to draft a European Constitution.** To answer current and future European challenges, and build the foundations of a genuine European democracy, we need to uphold and substantiate the fundamental values of Europe, overcoming current institutional obstacles. The Conference cannot and shall not be a tokenistic exercise. Rather, it needs to be a concrete opportunity to overcome the status quo: a constituent moment towards a federal Europe, a renewal of the trust of citizens in Europe and its democratic institutions. There is only one future for Europe, and that future is democratic.