



Union of European Federalists
Union Europäischer Föderalisten
Union des Fédéralistes Européens

RESOLUTION OF THE UEF FEDERAL COMMITTEE ON A GENUINE MONETARY UNION IN A REFORMED EU

Adopted by UEF Federal Committee, Venice on 29 November 2015.

The Union of European Federalists, gathering in Venice for their Federal Committee meeting,

supports

the call for a Treaty revision and

urges

the European Parliament to elaborate a proposal for Treaty change which foresees the completion and democratization of the EMU through the creation of a genuine federal government and the settlement of the relations with no-Euro Member states;

and calls upon

the European Commission, the national governments and the national Parliaments to support this project, which, only, can take EU out of the crisis, and let a new phase of peace and prosperity start.

ANNEX TO THE RESOLUTION PROPOSAL ON A GENUINE MONETARY UNION IN A REFORMED EU

The European Union is facing several challenges that are jeopardizing its cohesion and its future. There are challenges which come from outside, from the dramatic instability at its borders and from the wars devastating neighbouring regions; and there are challenges coming from inside, from the economic and social crisis which is fuelling the rise of national and populist parties and from the fact that in some countries the goal of achieving an ever closer union is more and more often called into question.

The only possibility for the EU to cope with all these challenges is to improve its institutional architecture, creating an effective and democratic supranational government.

The current governance has, in fact, proved to be inadequate. It has stopped the euro from disintegrating, but it has shown not to be able - neither in terms of resources and effective powers nor as regards its decision-making mechanisms – to guarantee the European citizens' future. For internal and external reasons EU needs a "deep and genuine EMU" and a democratic and accountable system of government at European level.

There is a broad consensus on the need to complete EMU with the Banking, Fiscal, Economic and Political unions. But national governments look unable to find an agreement on how to establish them, thus postponing further achievements and blocking the process.

The Union of the European Federalists, in agreement with the analysis and reports circulated by the European Commission, the ECB and the Five Presidents, underlines that:

1. it is the lack of :
 - a. a complete Banking Union and a true single Capital market,
 - b. stabilizations and adjustments instruments,
 - c. a genuine set of economic policies for growth and employment, decided and implemented at European level,
 - d. a Eurozone dedicated budget, with own resources, which is a prerequisite both for adjustment interventions and for supranational economic policies, that prevents the Euro area to be and become an optimal currency area and deepens the economic divergence between Member states.

2. trust among MS in the Euro area cannot be restored without:
 - a. the implementation of structural reforms by Member States, accompanied by social instruments
 - b. a transfer of sovereignty at EU level, in order to guarantee a democratic power to EU institutions over national fiscal and economic policies in case they do not respect the commonly planned standards,
 - c. institutional reforms that solve the question of the current democratic deficit and that of accountability. These reforms must include the evolution of the European Commission into a true European government responsible *vis à vis* the citizens (through their representatives elected to the European Parliament) and the Member States, i.e. the Council transformed into a kind of Senate of the States.

3. The Lisbon Treaty cannot solve all the above questions. It could be exploited to make some improvements in EMU governance, but only provided that national governments have the political will to do it. It cannot be used to create a Eurozone budget, nor to let the Union evolve from the current system of common rules to a system of coherent and democratic institutions. This is why the question of Treaty change must be put at the core of European political debate.

The need to change the Treaty to establish an effective and democratic government for the Euro is paralleled by the threat of a Brexit. Such a challenge should be exploited to stop the contradictions of a Europe *à la carte* and to clarify that two different categories of members coexist within the EU, one of which belongs only to the Single market but not the single currency nor the necessarily more integrated policies. The completion of the EMU and the negotiations with UK are part of the same process of building an effective union. The extent to which the safeguarding of non-Euro countries rights within the EU should be guaranteed, without hindering the Euro-area governance, may then be defined.