Statement by the ELEC Spanish Committee on the European Union



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(November 2024)

Given the current situation of the European Union and its uncertain international context, the **Spanish Committee of the European League for Economic Cooperation**, a pro-European civil association with a long tradition since the origins when the first EU treaties were drawn up, wishes to express its position regarding the urgency of strengthening European capacity and autonomy, and to urge the Member States and EU Institutions to speed up decisions tending for preparing Europe to enter a new stage and not remain stuck in the economic, social and political contexts of recent decades, which are being overtaken by current times.

The new 5-year legislative period 2024-2029 will be key to adapting the European Union to the new internal and international context.

There are many factors that are changing our reality in Europe.

- Internal demographic aging
- Loss of competitiveness of the European internal market and growth of Asian economies
- Growing gap in R&D&I compared to the United States and China.
- Effects of climate change
- Growth of uncontrolled immigration
- Emergence of new technologies and AI
- Wars and conflicts around us
- Risks of excessive energy dependence
- Dependence on food supplies and components from countries outside the EU



- European internal market poorly integrated at European level, with absence of powerful market entities
- Business atomization in the technological field and absence of large digital operators
- Complexities of European governance
- Excessive risk of bureaucracy
- Geopolitical changes with autocracies at the forefront
- Absence of a clear and indigenous European security and defence policy
- Need to strengthen European foreign policy and have an autonomous European defence policy

All these factors, among others, shape a new reality in Europe, where if nothing is done, or if little is done, or if badly done, the future of Europe and the democratic model of law and social welfare are put at risk. It is therefore of the utmost urgency that the Member States, aware of this, begin a determined process during this legislative period to adapt the EU/27 to these new times and prepare the EU to overcome these challenges.

The results of the recent American elections, with the election of President Trump and the announcements of the policies he intends to implement that will affect Europe, its economy and its security, caused an additional risk in Europe that further accelerates the already urgent need for Member States to promote the structural and relevant decisions that European institutions must take to protect the interests of citizens and the Europe security.

The major global players, China, Russia and autocratic countries, want to weaken the position of democratic Europe in the world and put the collective European project and our model of society at risk. The risk for Europe of letting the Ukraine conflict fall is serious and increasing tariffs on European products exported to the USA also entails serious uncertainty for the European economy. We knew that with Trump in the USA presidency these conflicts would come.



With all this in mind, and after the Second World War, the path of building an integration of the European democratic states towards a European Union began, in order to be in a position to respond collectively to future challenges. This process did not begin to remain held back or fearful in the face of the important global challenges that threaten us. The journey of the EU since Maastricht (1993) and previously since the creation of the EEC (1957) has allowed us to collectively train ourselves to be in a better position today to respond jointly and more efficiently to these threats, which we already knew would come and which we now have upon us.

European civil society will welcome the fact that European political institutions, States and governing political parties, aware of the risks facing Europe, anticipate and adopt the necessary measures in many areas, and prepare Europe to be in a position to face its future with greater capacity and security, even if this means renouncing national interests and making sacrifices in favour of strengthening supranational interests and the collective wellbeing of all citizens of Europe.

We call for greater ambition and European self-esteem to face this moment. The European economic space, together with the countries that have requested its integration and the United Kingdom, consolidates the most advanced and diversified economic aggregate in the world and the aggregate GDP represents the first global GDP, higher than that of China (very far from that of Russia) and equivalent to that of the USA. The 450 million European inhabitants that the EU represents expect that Europe has sufficient confidence in itself and in its democratic project of political association, so that its leaders know how to correctly choose the role that Europe must have today in the world context, and to adapt and train Europe for the immediate future.

This depends only on us and our political leaders. It is true that Europe is complex. But it is so because it is a community-based country and respectful of the states that make it up. It is the best model of collective governance of states that exists in the world. And of course it has its conflicts and problems, but it is the space in the world where its citizens live in



democracy and with greater balance and better social well-being. That is why it is the most desirable place to go to live.

We demand more confidence and self-esteem in ourselves and in our collective capabilities. And we demand this from politicians, but also from social and economic leaders and European society in general. It is well known what needs to be done in the different areas of life of our society to adapt to the changes. The contents to be promoted are known and have been announced to public opinion from different political, economic and social bodies in Europe. The reports by Mario Draghi and Enrico Letta, to name two of the most important ones, clearly indicate the contents of many of these economic and political governance decisions that must be taken in the EU. Now we have to decide to do it, and decide how to implement it.

It was already known that the solution to the major challenges facing Europe and European society today lies in the adoption of collective commitments at a European level. That is why the process of building the European Political Union began. That is why the EU must strengthen itself beyond the power of the States in certain areas that are now strategic in order to resolve these challenges and guarantee the general interest of European citizens.

An annex to this declaration lists the different subjects of the ELEC priorities, without the intention of being exhaustive or excluding the relevance of other decisions to be adopted to prepare society for the immediate future.

In these matters, **it is necessary to strengthen the European federal authorities above the national governments** so that they can act efficiently and more immediately and without minority blockages. In this sense, it is necessary to allow the lifting of a state's blocking vote in the European Council if there is an agreement of a reinforced majority of the European Parliament that expresses this and to strengthen the democratic mechanisms in decision-making. The reality of Europe has advanced sufficiently and today



the risks are so high that it is justified to put the general European interest above the particular interest of a state.

The European Political Union must have more real weight so that the EU can be strengthened in the current geopolitical context, otherwise strategic decisions in important areas of European society will not be perceived adequately and we will become more vulnerable to the inclemency and strategies of other agents and world leaders. Today more than ever we need the governments of the states to understand and support that together and more cohesively we are less vulnerable and stronger to defend our interests and our model of society.

From the Spanish Committee of the European League for Economic Co-Operation -ELEC-, we express our wish that this legislature be one of true adaptation and change to the new context that is being configured in the world order and that the measures that we consider necessary in the political, economic, European security and foreign policy in order to Europe will be in a position to successfully face the political, economic and social challenges that society currently faces.

We wish the new European politicians and the political leaders of the governments of the Member States confidence, self-esteem, ambition and success in the decisions that must be shared with the 27 States through dialogue and resolution, and that they do not delay these decisions but rather speed them up, as the moment is critical and European society must successfully face this moment, which is decisive for the future of all the peoples of Europe.

Now more than ever, Europe must collectively ratify its commitment to continue consolidating its political project, its model of society and the fundamental values of freedom, justice, democracy and social fraternity through dialogue and political negotiation. This adaptation of the EU to the reality of the 21st century must be carried out without losing the will to persevere in our social market model within the



democratic state of law. Dialogue and collective negotiation to change and adapt in order to grow better. This is the direction that the accredited European voices that identify the content of these decisions are going in, to which we add that of the European civil society represented by the ELEC.

Now it is necessary to decide, execute and apply.

Without a doubt, adopting these decisions requires political leadership and dialogue. This must be driven by the States and must be done within the European democratic institutions. Outside of them there is no way to build a safe and prosperous future for European citizens. And probably these same institutions will have to consider advancing in the governance model so as not to hinder the taking of decisions that benefit the vast majority of European citizens. States must not use the European institutions to replicate the internal political confrontations they have in their countries (the Council and the European Parliament must not be a replica of the internal problems of the States). The EU of the 21st century requires a change in the level of approach to its problems and solutions.

Consideration should be given to adopting a Political Declaration of European Constitutional Principles and Values that would reinforce the European project and the sense of belonging of the different societies that make up the reality of Europe, because, while maintaining their own idiosyncrasies and from diversity, they support the relevant structural decisions that must be taken to ensure our future.

The ELEC urges the European authorities to speed up the adoption of these decisions, to make a decisive commitment to adapting the European single market and to increase Europe's strategic autonomy. We understand that this implies moving towards a more federal Europe. More coordination, more unification of the European States, better governance, while accelerating the integration of the new European States that are asking to join the EU.



Today, Europe has the great responsibility of showing the world that its current model of a free and democratic society, of a social economy, of governance, of values built after centuries of conflicts and failures, is today the best option to guarantee the wellbeing of citizens and a reference to consider in a turbulent world. This success is also a risk for others, so the European Union must succeed in its necessary adaptation to this change of cycle in which it is immersed and be a reference for the rest of the world, even if this entails additional sacrifices and risks.

European League for Economic Cooperation - ELEC-Spanish Committee



ANNEX OF PRIORITIES

From the ELEC we urge the representatives of the European institutions and the political parties of the states to adopt, as quickly as possible, urgent decisions on the following matters that we consider to be priorities in order to face the current economic and social situation and to better guarantee a future for European citizens. Matters that will have an impact on the evolution of the European economy and the lives of citizens.

We do not claim to be exhaustive, we do not cover the entire spectrum of problems that exist today in our economy and in European society, but we do prioritise those that, in our opinion, are most urgent and necessary to efficiently influence the evolution of European economic activity, and to lay the foundations for facing the new stage of Europe with the aim of continuing to guarantee the social well-being of European citizens, which are the aspects most appropriate to the ELEC association. We will leave the more political, institutional and governance content for other instances, although we are clearly in favour of strengthening the political union of the European Union and its institutions.

The ELEC provides 12 areas of reflection that are considered priorities for adapting the EU economy over the next 5 years to its current economic and social context, in order to overcome the current challenges and imbalances, which are now well known.



<u>Twelve priorities to address current economic and social challenges and contribute to</u> <u>improving the European social economy and the well-being of European citizens.</u>

1. European Digital Economy: Digital Transformation and Artificial Intelligence

Promote digital measures in Europe focused on promoting the European digital economy, protecting the privacy of European citizens, ensuring cyber-security, fostering technological innovation in the European Union and reducing its technological dependence on other countries (USA, China). Promote European digital operators.

2. Adaptation of society to climate change

Europe must continue to reduce its greenhouse gas emissions by promoting renewable energy, improving energy efficiency in all sectors and implementing mitigation measures in key sectors such as cleaner transport networks across Europe, sustainable industry, environmentally friendly agriculture, sustainable water management, biodiversity protection and sustainable urban planning.

Creation of a Fund to finance adaptation to climate change and the circular economy: Europe must promote a transition towards a circular economy, where waste generation is reduced, recycling is encouraged and the reuse of resources is promoted.

3. Review of the CAP to ensure its own supply and balance the economic burden and bureaucratic and administrative excesses.

Redirect the recent CAP reform with regard to the bureaucratic burden that must be imposed, especially as it disproportionately affects small and medium-sized farmers. Review the coverage of the costs of the ecological transition, the



agreements on liberalisation of agricultural trade in order to ensure the domestic supply of food, set limits on external dependence, protect small and medium-sized agricultural producers, require external producers to comply with the same requirements of European regulations as those required of internal producers and implement effective social measures to influence a true ecological transition.

4. Strengthening the competitiveness of the European Single Market

Speed up the implementation of the recommendations of the Mario Draghi and Enrico Letta reports, aimed at boosting the European economy, closing the innovation *gap* with respect to the United States, making decarbonisation and competitiveness compatible, increasing economic security and reducing external dependencies by ensuring the supply chain, improving productivity with new technology and reviewing European tariff policy and promoting the integration of European operators in the different sectors.

5. Investment in public and private technological infrastructure in Europe: promoting R&D&I

Bridging the innovation gap with the USA and China. Investment policies in technological infrastructure in Europe must be geared towards innovation in all sectors of the economy, or mainly in those sectors declared strategic, driving economic growth and competitiveness in the global market. Connectivity and digitalisation in the internal market and the creation of large, genuinely European technological operators must be promoted.

Immediately double the allocations of: the European Fund for Strategic Investments (EFSI); and the Plan for 5G Connectivity in Europe.



6. European energy policy: harmonisation of models, interconnection, guarantee of supplies

Move towards a truly single European energy policy. Bring the share of renewable energy sources in the European energy mix closer to 40% and strengthen actions aimed at improving energy efficiency in all sectors, ensuring supply, increasing interconnection networks and increasing Europe's energy autonomy.

7. Invest more in training and culture in the European Union states

In cooperation with the states, the greatest allocation of private and public resources should be encouraged to improve the training and culture of society, with the priority of improving the capacities of the population of the states of Europe in the understanding and use of new technologies with special emphasis on the population with difficulties in adapting to social, economic and technological changes and achieving a reduction in the social gap that is occurring in European society, as well as promoting the European cultural industry that drives European civil society in all its forms and cultural expressions, respecting cultural diversity in Europe, which is configured as a singularity of European values and always respecting the richness of the plurality and cultural diversity of the States of Europe, which reinforces the belonging of citizens to the European project and reduces dependence on non-European cultural products.

8. Achieving European tax unification: tax harmonisation, equivalent savings tax framework

Establish a common framework for taxation across the EU to avoid distortions in the European market, regulate taxation on digital activity on polluting products and materials, and combat tax fraud at European level.



Maintaining sound public finances in member countries, ensuring the sustainability of social security and pension systems in the future. Accelerating European public financing mechanisms with access to the issuance of European public debt and with European collective coverage, promoting private participation through the capital market and the private financing mechanisms proposed in the reports by Mario Draghi and Enrico Letta.

9. European Capital Market: Integration and Development of official markets of the Wholesale Digital Euro, Banking Union, European Guarantee Fund B, European Public Debt

Integration of the capital market in the European Union that offers security and transparency to investors. Promote the harmonization of financial markets: Establish a coordinated supervisory mechanism that guarantees the stability and proper functioning of the capital market in the European Union, as well as the protection of investors. Consolidate the European Banking Union.

Create financial instruments that encourage long-term investment in strategic EU projects, such as infrastructure, innovation and sustainability.

The European Bank Guarantee Fund. Developing the Wholesale Digital Euro.

10. European Migration Policy

The EU's asylum policy, which must take precedence, must be clearly distinguished from its immigration policy, which has separate processes and regulations. Implementing a clear and decisive European migration policy based on solidarity requires a comprehensive approach that combines border control measures with the protection of migrants, human rights, the promotion of legal and safe immigration routes, cooperation with countries of origin and trafficking, the



effective integration of migrants into European society and defining the limits of solidarity within European territory.

11. European Security Policy: economic and technological space capacity and autonomy

Promote a European security policy that will enable a response to the challenges facing Europe. This is why cooperation between the member countries of the European Union in matters of security is proposed, through the coordination of policies and joint actions to confront common threats such as terrorism, cybercrime, human trafficking and organised crime.

Strengthening the EU security capabilities by creating a Common Security Policy, implementing surveillance and control measures at the EU borders to prevent the entry of terrorists, the fight against crime, as well as to combat illicit arms and drug trafficking, and illegal immigration mafias.

Promoting cybersecurity at European level, through the creation of common standards and policies to protect computer systems and prevent cyber-attacks.

12. European defence policy

The European Union must strengthen its own defence capabilities to respond to security challenges in a constantly changing global context, and to be able to increase its strategic autonomy while reducing its dependence on third parties.

The EU must also strengthen defence cooperation between Member States through initiatives such as PESCO in common defence projects, strengthening the European Defence Fund to develop technologies and capabilities for its own



products and promoting joint programmes at European level for the manufacture of technological systems, drones, cyber weapons and vehicles.

The EU must continue to cooperate closely with NATO, the UN and other global partners to manage crises and maintain international stability.

These are not all the areas in which action is required to lay the new foundations for the change in political and social stages that we are facing. These are the economic and security priorities of the ELEC in the face of this new change and, we repeat, without meaning to be exhaustive. But we do want to be forceful in demanding, from civil society, urgency and immediacy in the adoption of the appropriate decisions in these areas and that these decisions be built with dialogue, coordination and generosity from the Member States and that they be adopted with speed, determination and an European vision.



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