The Future of the EU from a Greek Perspective

George Katrougalos
Europe Minister of Greece
Professor of Public Law

Confidence in EU and National Institutions

Alienation from EU / State of the Economy (subjective)


Tracking sentiment

Share of respondents who think their country is on the right or wrong track
September 23rd to October 7th 2016, % replying

Respondents who think their country is on the “right” /“wrong” track
Two Nations

“Two nations; between whom there is no intercourse and no sympathy; who are as ignorant of each other’s habits, thoughts, and feelings, as if they were dwellers in different zones, or inhabitants of different planets; who are formed by a different breeding, are fed by a different food, are ordered by different manners, and are not governed by the same laws.” “You speak of — “ said Egremont, hesitantly.

“THE RICH AND THE POOR.”

B. Disraeli, Sybil, or the Two Nations (1845)
Real Average Income by Percentile (Top 0.01%, Top 1%, Bottom 90%, 1980-2015)


Trends in growth in average real wages and labour productivity in developed economies, 1999–2015

Development of negotiated wages in EU 2001-2017

Sources: European Central Bank, Eurostat (HICP), compiled by Thorsten Schulten and Malte Luebker, Why Won’t Wages In Europe Rise As They Should?, https://www.socialeurope.eu/wont-wages-europe-rise

% of Households with stable or falling income 2005-2014

Change of labour share to GDP, Selected OECD Countries, 1970-2014

Source: ILO, IMF, OECD, World Bank, Income Inequality and labour income share in G20 Countries, Prepared for the G20 Labour and Employment Ministers Meeting and Joint Meeting with the G20 Finance Ministers, Ankara, Turkey, 3-4 September 2015


Change Of In-Work Poverty Rates 2004-2008 In % (2004=100)

Source: Daniel Seikel, Activation Into In-Work Poverty? In https://www.socialeurope.eu/activation-work-poverty
Ratio of the average salary of a FTSE manager to the average employee salary

• 1980  25 :1

• 2016  130:1

Source: World Wealth and Income Database, ibidem,
Respondents agreeing that the economy is rigged to advantage the rich and the powerful (November 2016)


Percentage of respondents who think the government is run by a few big entities in their own best interests (2013)

Agreeing that traditional political parties don’t care about people “like them”


Is it “essential” living in a Democracy? Responses by Birth Cohorts (decade of Birth) 1930-1980

Responses of Young Europeans with regard to Democracy as “Best form of Government”


The EU is primarily considered as an economic alliance and less as an alliance of countries with shared cultural values.

In your view, which of the following tasks and meanings best describe the EU?

<table>
<thead>
<tr>
<th>Economic alliance</th>
<th>Coalition of countries with open borders, where it is possible to travel, live and work freely</th>
<th>Alliance to ensure peace in Europe</th>
<th>Alliance with a shared currency</th>
<th>Shared democratic and political principles</th>
<th>Alliance of friendly countries</th>
<th>Military alliance</th>
<th>Alliance of countries with shared cultural values</th>
<th>don't know / no response</th>
</tr>
</thead>
<tbody>
<tr>
<td>76</td>
<td>44</td>
<td>59</td>
<td>74</td>
<td>82</td>
<td>37</td>
<td>32</td>
<td>25</td>
<td>6</td>
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The five scenarios:

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<th>Carrying on</th>
<th>Nothing but the single market</th>
<th>Those who want more diversity</th>
<th>Doing less more efficiently</th>
<th>Doing much more together</th>
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<tr>
<td>Simple market in full swing, including increased mobility, dominated by the market</td>
<td>Single market for goods and services: economic harmonization, standards continue to differ, free movement further reduced</td>
<td>Common problems; Europe for EU citizens; market; cooperation on standards, competition; social standards</td>
<td>Single market: competition, development, harmonization, cooperation on social standards, labor market, global market, solidarity, innovation, challenges, weak at EU level</td>
<td>Economic, financial and social Union is advanced through coordination and joint decision-making, policies and institutions, but matters are evenly distributed</td>
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<td>Coordinated progress on implementing the euro zone</td>
<td>Cooperation in the euro zone is limited</td>
<td>No single immigration or asylum policy; further coordination on security dealt with nationally</td>
<td>Cooperation on border management; policies on labor market, social standards, environment, energy, development, external relations</td>
<td>Economic, financial and social Union is advanced through coordination and joint decision-making, policies and institutions, but matters are evenly distributed</td>
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<td>Progress is made on speaking with one voice in foreign affairs, common financial cooperation</td>
<td>Common problems; Europe for EU citizens; market; cooperation on standards, competition; social standards</td>
<td>Single market: competition, development, harmonization, cooperation on social standards, labor market, global market, solidarity, innovation, challenges, weak at EU level</td>
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<td>Pacts, mechanisms to collect the deficits agreed on at Maastricht</td>
<td>Refounded to finance current deficits needed for the single market</td>
<td>Single market: competition, development, harmonization, cooperation on social standards, labor market, global market, solidarity, innovation, challenges, weak at EU level</td>
<td>Economic, financial and social Union is advanced through coordination and joint decision-making, policies and institutions, but matters are evenly distributed</td>
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<td>Positive agenda for Europe (jobs, growth and solidarity)</td>
<td>Decisions-making may be more complex, but capacity is increased; more economic cooperation needed, free movement in the single market, which often leads to cultural homogeneity</td>
<td>Single market: competition, development, harmonization, cooperation on social standards, labor market, global market, solidarity, innovation, challenges, weak at EU level</td>
<td>Economic, financial and social Union is advanced through coordination and joint decision-making, policies and institutions, but matters are evenly distributed</td>
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Juncker’s 6th scenario: a more united and democratic Union of equality and values

- A European Minister of Economy and Finance
- Progressive graduation of ESM into a European Monetary Fund “firmly anchored in our Union”
- A European Labour Authority
- An effective Pillar of Social Rights and Posting of Workers in the EU
- A fully-fledged European Defense Union
- Merge the Presidents of the European Commission and the European Council.
- Qualified majority voting for decisions on the common consolidated corporate tax base, on VAT, on fair taxes for the digital industry and on the financial transaction tax.

What to avoid: Business as usual, with further isolation of economic governance from democratic accountability

*Purported leaks to Spanish Newspapers about the position of the German Ministry of Finance*

- Shift oversight for member states’ fiscal and economic policy away from the Commission towards a “revamped ESM”
- Some countries (El Munto mentions Germany, France and Italy) to have veto over the decisions on economic governance
The Greek position: Yes to a Europe of choices, No to a Club Europe

• No to closed-clubs, no to concentric circles
• Differentiated degrees of integration in terms of the political agreement on deepening, not based on objective criteria of exclusion
• Stay in the Treaties (Article 20 TFEU, enhanced cooperation and “passerelle clauses”)
• No « cherrypicking », not an escape from existing obligations, not a flexible solidarity

A more democratic economic governance ensuring a better balance between social and economic dimensions

• Reinforce the use of social indicators in the European Semester.

• Develop new tools to prevent tax evasion/optimisation at the European level, especially through a coordinated European approach against tax havens. Concerted measures against tax evasion, notably with the implementation of the Common Consolidated Corporate Tax Base (CCCTB), are key to a more equitable and fairer wealth distribution.

• Set up a comprehensive European investment programme, exempt from the deficit and debt thresholds of the Stability Pact, focusing especially on infrastructure and social services, aiming at combating social inequalities and unemployment (especially youth and long term unemployment), and at addressing industrial and regional structural imbalances, including brain drain.
A more democratic economic governance ensuring a better balance between social and economic dimensions

- Fully ‘Europeanise’ the ESM and make it accountable to the European Parliament.

- Increase the involvement of the European Parliament and of National Parliaments in the European Semester.

- Increase the legitimacy and the accountability of the Eurogroup.

- Address the persistent asymmetry between the economic and social dimensions of European integration through the establishment of a Labour and Social Affairs Ministers “Eurogroup”.

An ambitious new European social dimension, a binding and effective European Pillar of Social Rights

- Cooperate with the ILO in designing the new European Pillar of Social Rights, in respect of all minimum international standards including those on collective bargaining.

- Support decent minimum wages in all member-states, while promoting efficient and broad collective bargaining (in line with the rule “inflation rate plus productivity growth”) and taking into account Member-States and social partners best practices.

- Establish a European social insurance unemployment scheme, complimentary to the national ones.

- Enhance the European Social Charter and the flexibility of the Stability and Growth Pact.
More power to the European Citizens

• Reconfirmation of the practice of lead candidates – 'Spitzenkandidaten'.
• The seats of the UK not to be distributed among member-states but to form a transeuropean electoral list
• Wide deliberation for the new Europe

The real issue: Reinvigorating the European Social Model - Ending the neoliberal austerity

We are all Greeks

(...) 
The world is weary of the past,
Oh, might it die or rest at last.

P.B. Shelley, Hellas, 100-1