

The Future of the EU from a Greek Perspective

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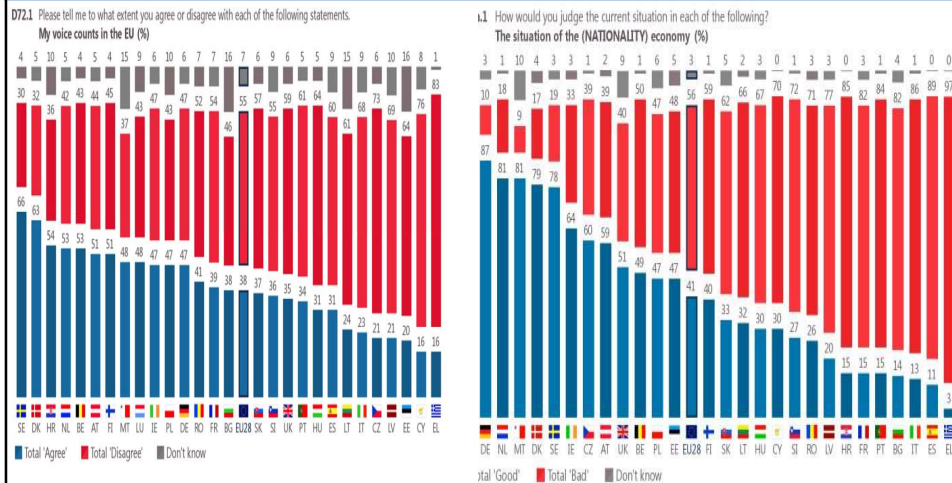
#EU60

Confidence in EU and National Institutions

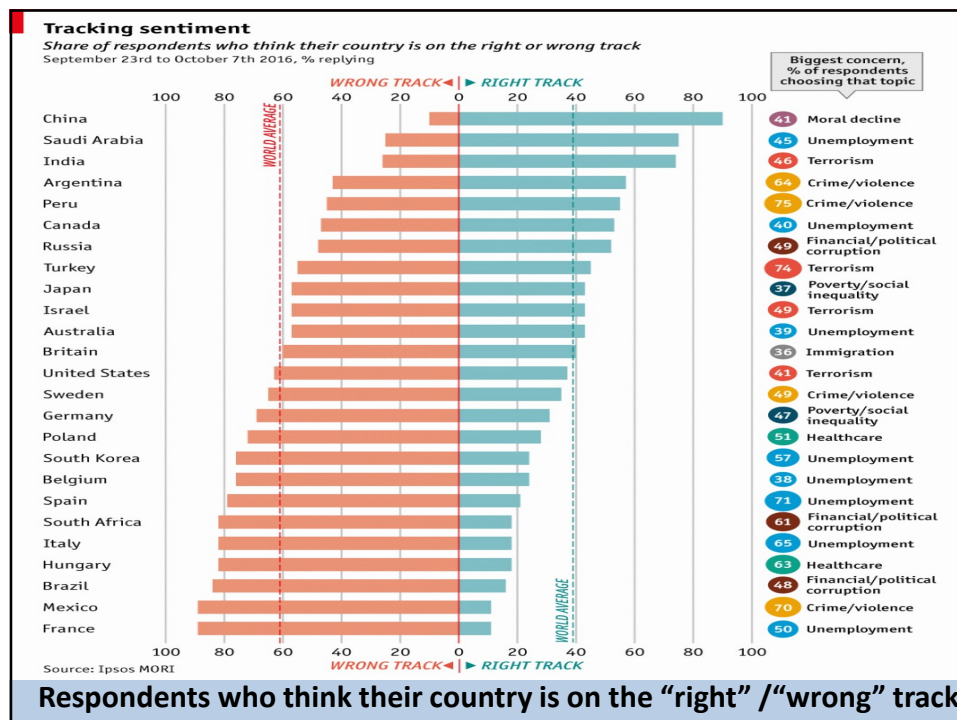


Source: Standard Eurobarometer 85, Public opinion in the European Union, May 2016, QA 9.

Alienation from EU / State of the Economy (subjective)



Source: Standard Eurobarometer 85, Public opinion in the European Union, May 2016.



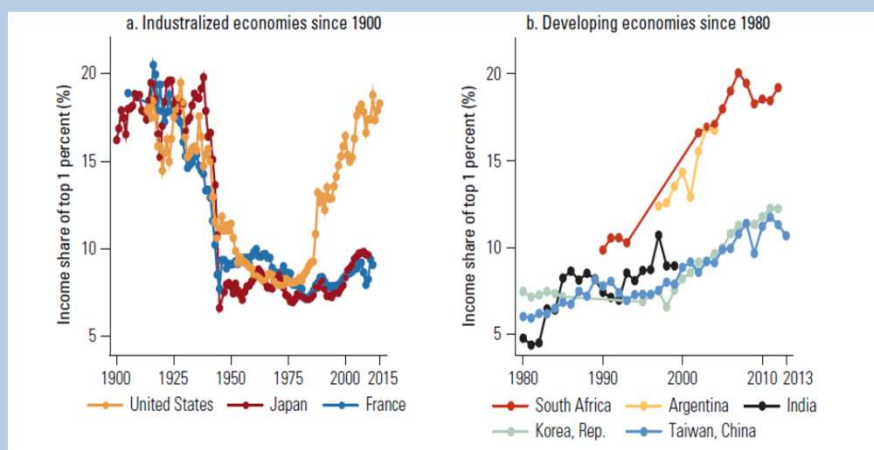
Two Nations

“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.

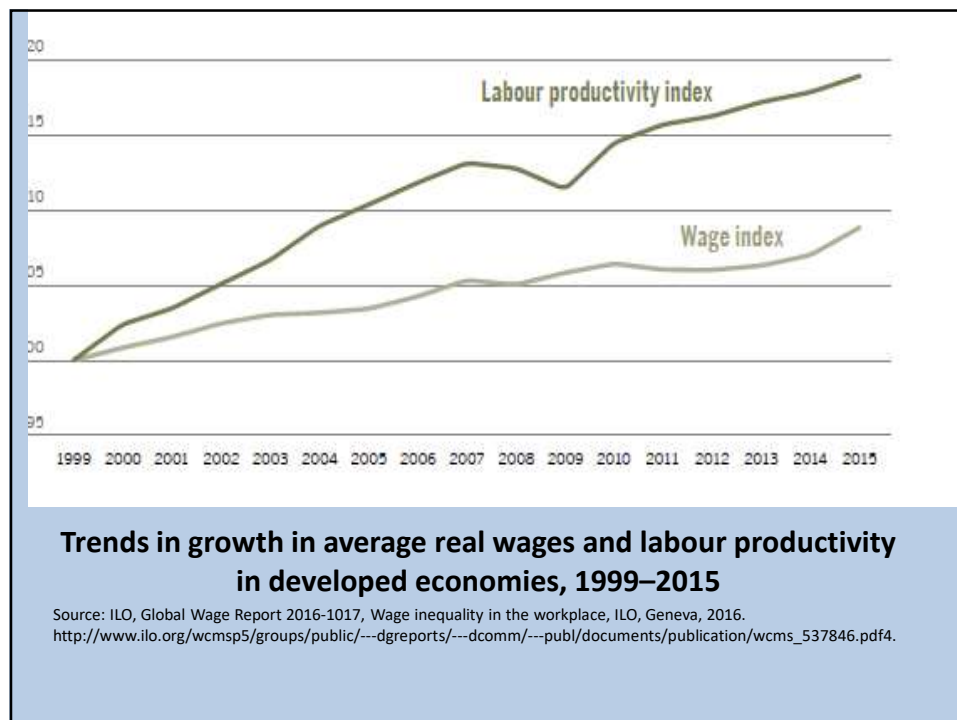
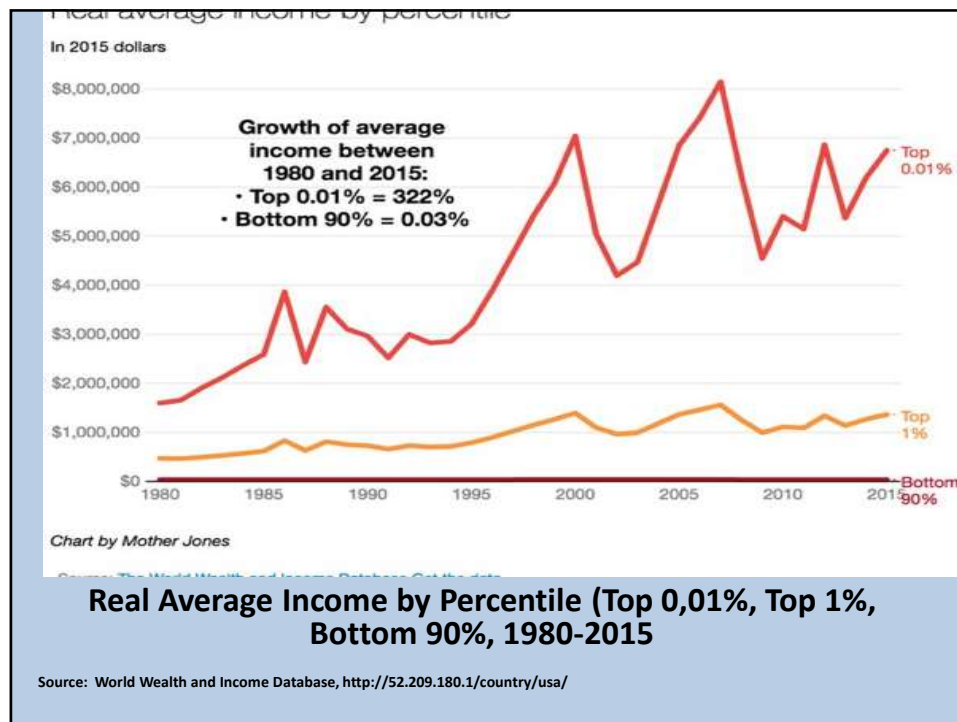
“ THE RICH AND THE POOR.”

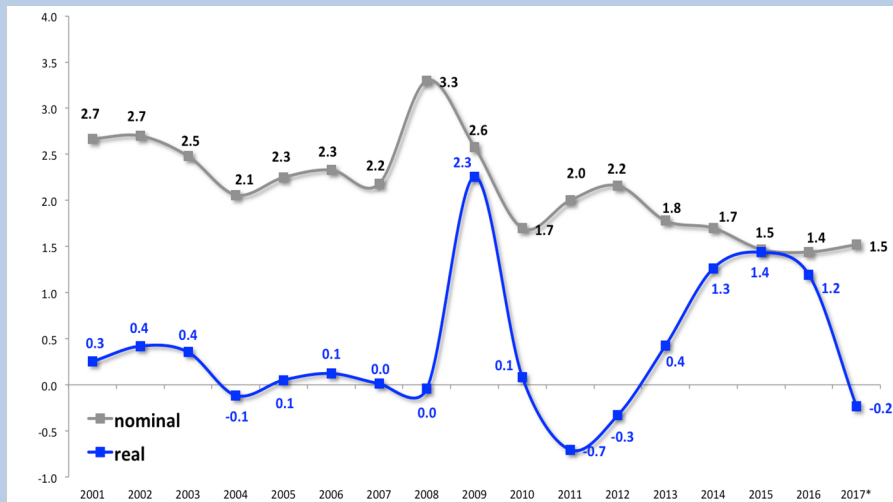
B. Disraeli, *Sybil, or the Two Nations* (1845)

The Top 1 Percent Income Share



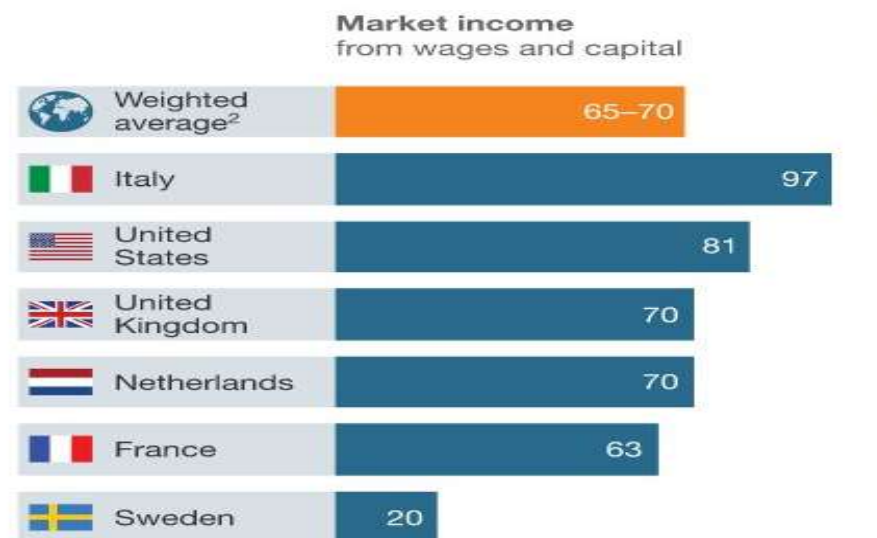
Source: Taking on Inequality, 2016 International Bank for Reconstruction and Development / The World Bank Figure 4.2
 Calculations based on data of WID (World Wealth and Income Database), Paris School of Economics, Paris, <http://www.parisschoolofeconomics.eu/en/research/the-world-wealth-income-database/>. Note: The figure shows the share of national income (excluding capital gains) going to the richest 1 percent of national populations. These measures are typically derived from tax record data. For South Africa, the figure shows the top 1 percent income share among adults.





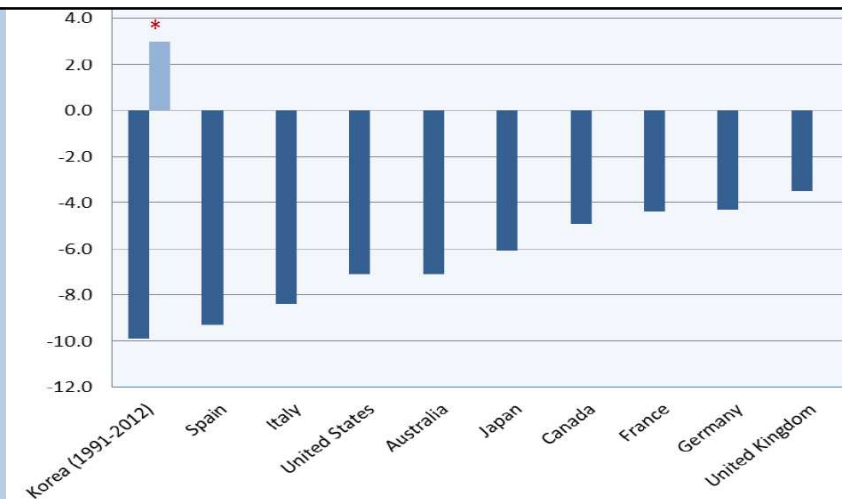
Development of negotiated wages in EU 2001-2017

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>



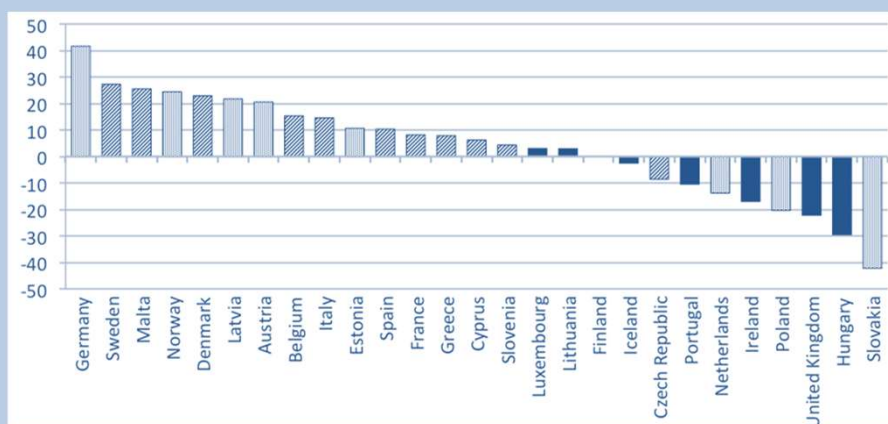
% of Households with stable or falling income 2005-2014

Source: Richard Dobbs et alii, Poorer than their Parents?, Flat or falling economies in advanced economies, McKinsey Global Institute, July, 2016, <http://www.mckinsey.com/global-themes/employment-and-growth/poorer-than-their-parents-a-new-perspective-on-income-inequality>



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 http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_398074.pdf



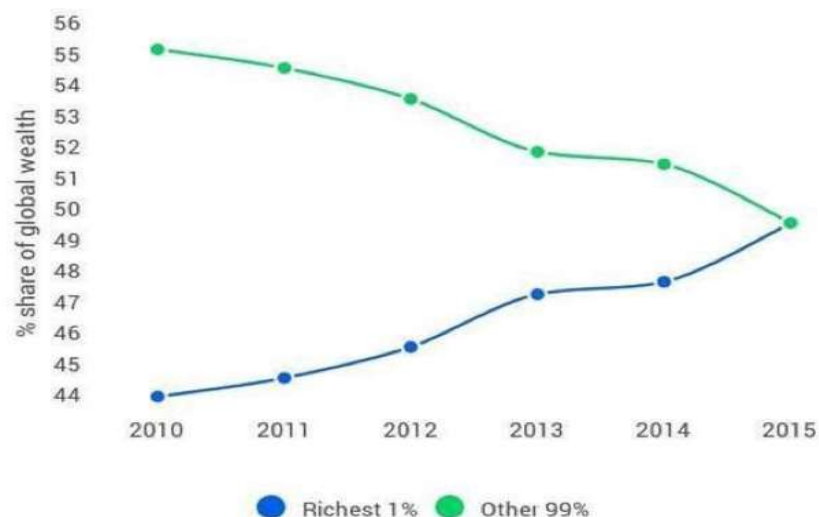
Change Of In-Work Poverty Rates 2004-2008 In % (2004=100)

Source: Daniel Seikel, Activation Into In-Work Poverty? In <https://www.socialeurope.eu/activation-work-poverty>

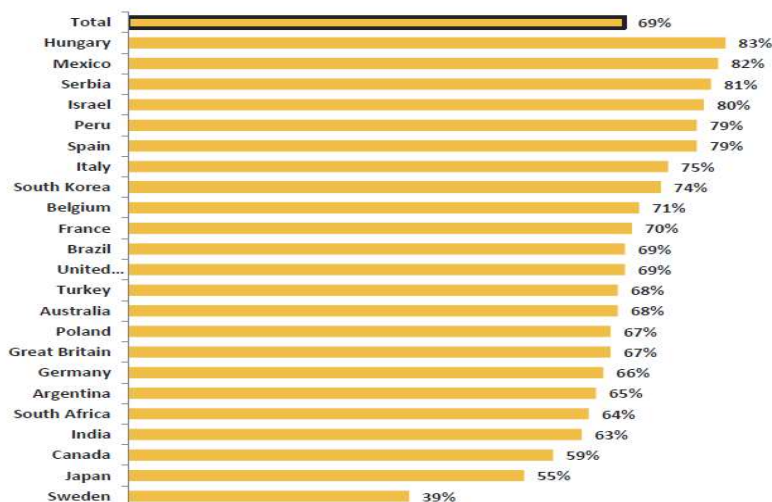
Ratio of the average salary of a FTSE manager to the average employee salary

- 1980 25 :1
- 2016 130:1

Share of global wealth 2010-2015



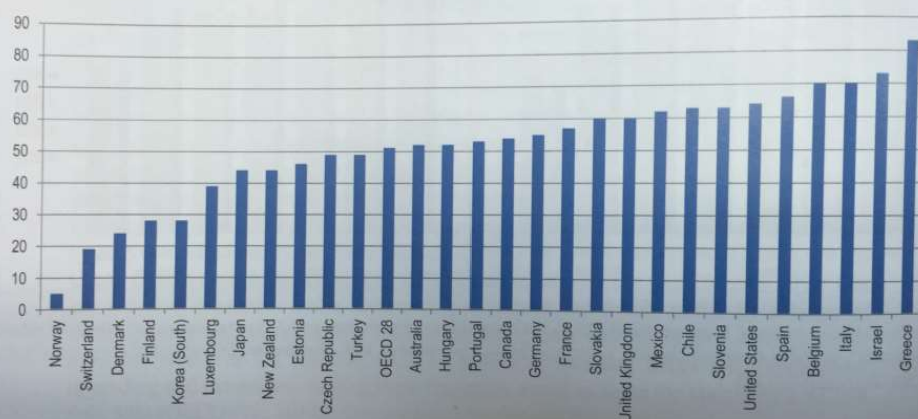
Source: World Wealth and Income Database, ibidem,



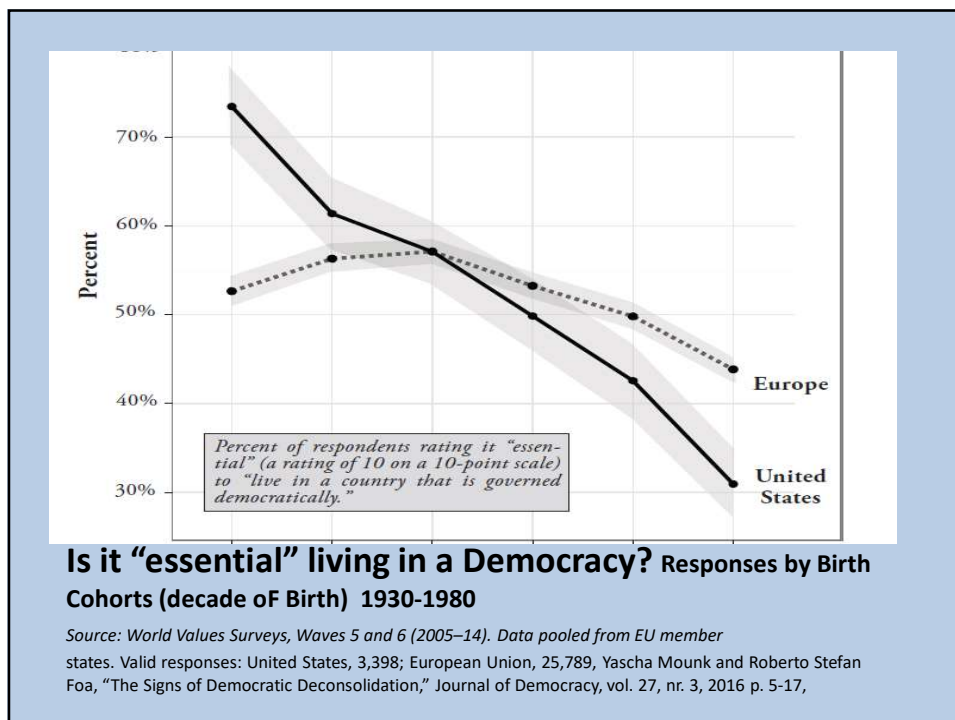
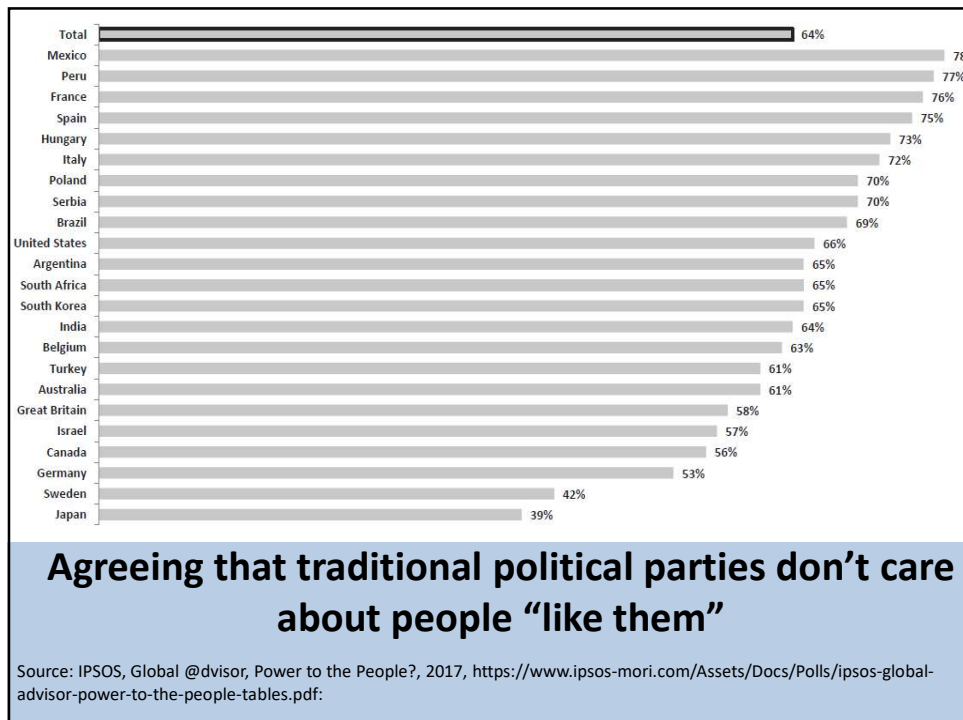
Respondents agreeing that the economy is rigged to advantage the rich and the powerful (November 2016)

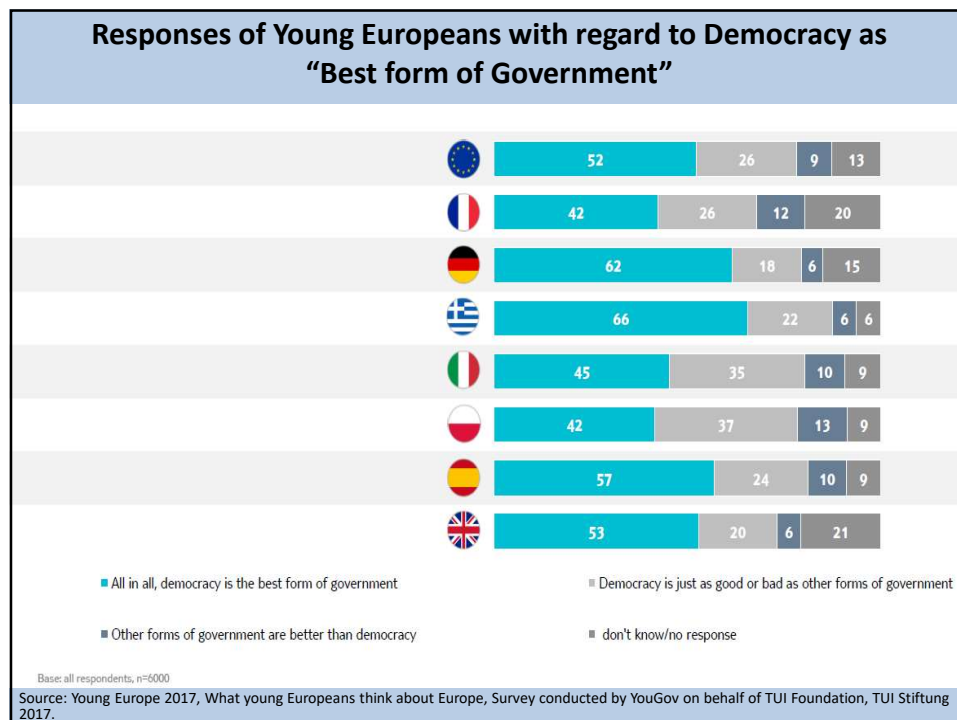
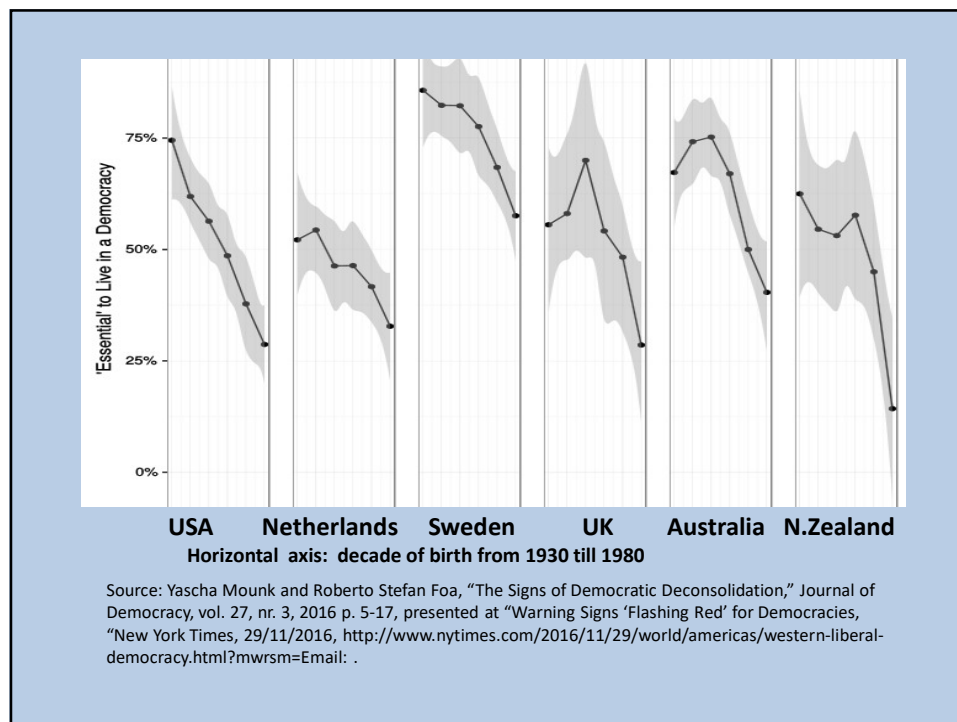
Source: IPSOS, Global @dvisor, Power to the People?, 2017, <https://www.ipsos-mori.com/Assets/Docs/Polls/ipsos-global-advisor-power-to-the-people-tables.pdf>:

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



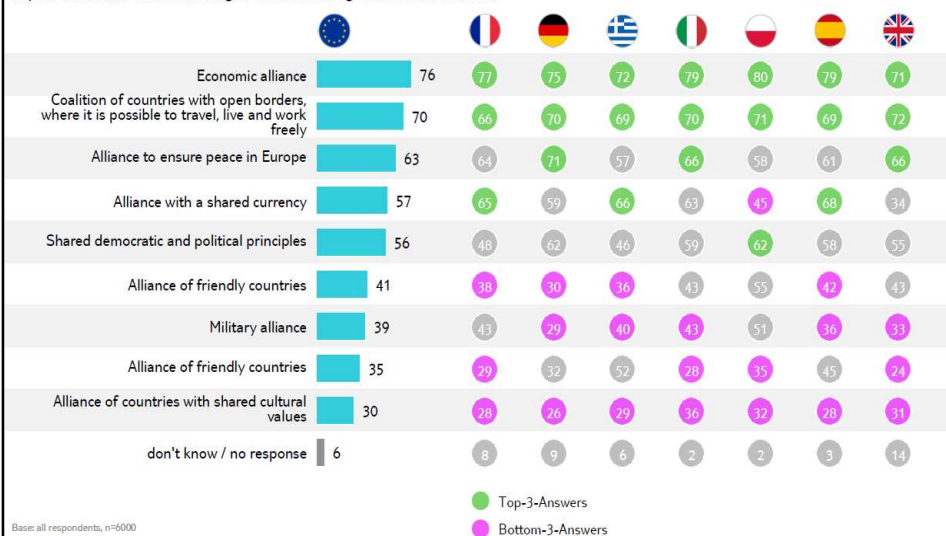
Source: OECD Public Governance Reviews, Paris, 2016, p. 18, based on Transparency International, Global Corruption Barometer 2013, OECD Integrity Framework for Public Investment.





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?



Source: Young Europe 2017, What young Europeans think about Europe, Survey conducted by YouGov on behalf of TUI Foundation, TUI Stiftung 2017.

The five scenarios

	Carrying on	Nothing but the single market	Those who want more do more	Doing less more efficiently	Doing much more together
Single market & Trade	Single market is strengthened, including in the energy and digital sectors; the EU27 pursues progressive trade agreements	Single market for goods and capital strengthened; standards continue to differ, free movement of people and services not fully guaranteed	As in "Carrying on", single market is strengthened and the EU27 pursues progressive trade agreements	Common standards set to a minimum but enforcement is strengthened in areas regulated at EU level; wide exclusively dealt with at EU level	Single market strengthened through harmonisation of standards and stronger enforcement; trade exclusively dealt with at EU level
Economic & Monetary Union	Incremental progress on improving the functioning of the euro area	Cooperation in the euro area is limited	As in "Carrying on" except for a group of countries who deepen cooperation in areas such as taxation and social standards	Several steps are taken to consolidate the euro area and ensure its stability; the EU27 does less in some parts of employment and social policy	Economic, financial and fiscal Union is achieved as envisioned in the report of the Five Presidents of June 2015
Cooperation in the management of external borders stepped up gradually; progress towards a common asylum system; improved coordination on security matters		No single migration or asylum policy; further coordination on security dealt with bilaterally; internal border controls are more systematic	As in "Carrying on" except for a group of countries who deepen cooperation on security and justice matters	Cooperation on border management, asylum policies and counter-terrorism matters are systematic	As in "Doing less more efficiently", cooperation on border management, asylum policies and counter-terrorism matters are systematic
Foreign policy & defence	Progress is made on speaking with one voice on foreign affairs; closer defence cooperation	Some foreign policy issues are increasingly dealt with bilaterally; defence cooperation remains as it is today	As in "Carrying on" except for a group of countries who deepen cooperation on defence, focusing on military coordination and joint equipment	The EU speaks with one voice on all foreign policy issues; a European Defence Union is created	As in "Doing less more efficiently", the EU speaks with one voice on all foreign policy issues; a European Defence Union is created
Partly modernised to reflect the reform agenda agreed at 27		Refocused to finance essential functions needed for the single market	As in "Carrying on"; additional budgets are made available by some Member States for the areas where they decide to do more	Significantly redesigned to fit the new priorities agreed at the level of the EU27	Significantly modernised and increased, backed up by own resources; a euro area fiscal stabilisation function is operational
Capacity to deliver	Positive agenda for action yields concrete results; decision-making remains complex to grasp; capacity to deliver does not always match expectations	Decision-making may be easier to understand but capacity to act collectively is limited; issues of common concern often need to be solved bilaterally	As in "Carrying on", a positive agenda for action at 27 yields results; some groups achieve more together in certain domains; decision-making becomes more complex	Initial agreement on tasks to prioritise or give up is challenging; once in place, decision-making may be easier to understand; the EU acts quicker and more decisively where it has a greater role	Decision-making is faster and enforcement is stronger across the board; questions of accountability arise for some who feel that the EU has taken too much power away from the Member States

**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 intergration 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