

**SECOND TAORMINA/ MESSINA CONFERENCE
(ORGANIZED BY TAOBUK FESTIVAL AND VISION)**

LA METAMORFOSI DI EUROPA¹



**EUROPE IN A POST PANDEMIC WORLD – ONE YEAR ONWARDS
LOOKING FOR THE IDEAS TO CONTINUE THE DEBATE ON THE
FUTURE OF EUROPE IN THE 21ST CENTURY**

18th – 20th JUNE 2021

CONCEPT PAPER (MARCH 2021)

At the beginning of October 2020, the time at which the first MESSINA/TAORMINA CONFERENCE was held, the perception was that the worst of COVID19 pandemic was over. We were wrong and the

¹ Europa is the mythological Phoenician princess whose seduction from JOVIS gave birth to the kingdom of CRETE and to the idea of the WEST as civilization.

conference took place just in time before Europe was overwhelmed by a second wave which has proven much longer and more damaging than the first².

Today, even more than one year ago, it looks the PANDEMIC “war” (as it was often described) and the ensuing dramatic economic and political crises, have forced us all at a crossroad of history, where the need to radically reform the Union have become stronger.

The decision of drafting an unprecedented plan for recovery (the NEXT GENERATION EU) which will be financed by the European Commission own resources signposts an indeed historical turning point. It was defined as the EU “HAMILTONIAN³” moment⁴. In fact it was the time when the EU broke the taboos that had prevented the European Commission to issue common debt on a large scale (although smaller amounts of borrowings had happened before to finance the European Stability Mechanism)⁵.

This was also the moment when the head of 27 states seemed to share the idea that there are no asymmetric crises any longer, because pandemic and financial shocks obviously propagate rapidly within an integrated economic block where goods and people can move without constraints. It is upon this reasonable consideration that an apparently aged moral value – solidarity – appeared to win (almost) all hearts and agendas and to eventually make the European Council to agree with the European commission (at one the longest council meeting in history).

Yet after the second wave that response seems to be too little (vis-à-vis the fiscal stimulus provided by the US, the UK and even individually by EU national States, as we articulate later in the paper by introducing the

² Two thirds of the 750 thousand deaths and six seventh of the 35 million cases cumulated in the EU until today (7th FEB 2021) and since the start of the COVID19 pandemic, took place after the first week of October.

³ As for Alexander Hamilton the first Treasury Secretary of the United States. In 1790, Hamilton convinced Jefferson and Madison to replace debt cumulated by former colonies becoming States into federal debt.

⁴ See for instance LISA JUCCA on REUTERS, 3rd February 2021

⁵ The “Hamiltonian” definition, however, was always rather over stretched: the High Representative of the EU for Foreign Policy and Security Policy, Josep Borrell Fontelles “European Foreign Policy in times of COVID19”, recently noticed that Alexander Hamilton did manage to mutualize pre – existing debt whereas this was never the intention of the EUROPEAN UNION with NEXT GENERATION EU.

working group on “Next Generation EU”) and to arrive too late (not even a Euro has been spent one year after the initial proposal in May 2020).

True Europe is using the NEXT GENERATION EU to give substance even to its “man on the moon” project (as President Ursula Von Der Leyen defined it) of becoming the first “climate neutral” continent”; and yet the expectations may fall short of mechanisms (like the minimum percentage - 30% - to be spent on fighting climate changes) which may do enough to push the transition of industries (USA and China may be going faster on ending fossil fueled car making⁶) and consumption models.

Europe seems to be still structurally slow to respond to the shocks which may even become a permanent feature of the 21st century: the PANDEMIC was, indeed, the fourth of these crises after the EURO crisis in 2013, the financial collapse in 2007, and the attack to the world trade center in 2001 and the ensuing wars.

In some instances, paradoxically, it even seems that things might have been better managed at the level of single member states. This may have been the case of the first phase of the vaccination campaign in 2021.

More importantly, the battle for the global digital leadership (which will be one of our focus) seems to demonstrate that liberal democracies and peacefully built great institutions can only survive if they become fast enough, efficient enough to respond to a complexity which even escapes the instruments we have been using to make sense and try to govern the world.

Time has come for a new start, for a new metamorphosis of EUROPE⁷. After all, history has taught us that after the great wars of the twentieth century, new “world orders” have been crafted: the one conceived in 1919 after the first conflict around the “League of Nations”, was less successful than the one drafted in 1948 and culminated in the foundation of the UN, the IMF, the NATO and, ultimately, in Europe, out of the European Economic Community (EEC) as the embryo of the current European Union.

In 1955 it was a conference in MESSINA to decide the creation of the institutions (the EEC and the EURATOM) which paved the way to the ROME treaty. It is time now for a new start and this is why Vision and

⁶ E McGaughey, M Lawrence (2020), “The Green Recovery Act” Common Wealth

⁷ As for the title of the Concept Paper.

Taobuk decided to scale up the conference and make of it one of the key debates in what promises to be a decisive year.

The first conference in Messina/ Taormina produced a manifesto and an agenda on three specific themes – the role of EUROPE in the battle for global digital leadership, new forms of participation to make EU the lab of the democracy of the future, *cluster of integrations* as the new institutional mechanism to provide the EU with greater efficiency and legitimacy.

The manifesto and the WG conclusions⁸ have been further discussed within the NEXT GENERATION SERIES, a series of events that Vision launched on Christmas 2020. This will be the starting point of the conference with the objective to produce more ideas aimed at having real impact.

Vision⁹ together with TAOBUK¹⁰ is thus calling a three-day meeting – on the 18th June - in MESSINA where thirty intellectuals, policy makers, journalists, historians and visionaries will gather to generate and discuss some ideas¹¹ which may trigger a debate on the future of EUROPE with the objective to provide a contribution to “crafting the future”.

Chair persons will be Stefania Giannini, Assistant Director of the PARIS based UNESCO where she is in charge of the Education directorate; and former minister for Universities, Research and Education in Italy; and Bill Emmott, former editor of The ECONOMIST and author of the FATE of the WEST.

The debate will be articulated in seven plenary sessions plus three workgroups discussing the issues which seem now crucial on how to start thinking about a new European project. They will be followed by more presentations of books and reports on the future of EUROPE within TAOBUK festival.

⁸ The Manifesto of the 2020 Taormina conference is accessible here <https://www.thinktank.vision/en/magazine/the-future-of-europe/taormina-messina-conference-the-manifesto>

⁹ More info on VISION at www.thinktank.vision

¹⁰ The TAORMINA BOOK FESTIVAL. One of the most internationally recognized Book Festival in Europe <https://www.taobuk.it/>

¹¹ Outlined by the VISION paper on “Europe beyond the union in a Post-pandemic world. Ten ideas to kick off a debate”. March 2020. Accessible at https://www.thinktank.vision/images/2020/10_ideas_europe/10_Ideas_for_Europe_13-03-20.pdf

All the WG will be presented by those responsible for the "Introduction" of each WG on Friday, the 18th June at 11:30 am in Messina, just after the second plenary session (see attached agenda). On this occasion, all the details regarding the various WGs (both logistic and contents) will be provided.

The working groups will then be: global digital platforms and the European approach to the battle for the 21st century; Next Generation EU and completing the EU Hamiltonian moment; The COVID-19 pandemic and adapting the welfare and health systems to the 21st Century.

The results of the WGS will be reported back to the plenary on Sunday the 19th at 12.30 as for the tentative agenda and will become an input towards the CONFERENCE new manifesto which will be conveyed to the President of the Commission and to the Council and which will feed next events. In addition to the above three discussions, we also envisage the conference to debate specific proposals of "positive actions" meant to enlarge the participation of public opinions to the European project: this will be tackled with one specific plenary.

Each of the WG will be prepared in specific webinars before the conference.

In the next pages, we provide the background for each plenary session working group.

PLENARY SESSIONS – INTRODUCTION

WINNERS AND LOSERS OF THE GREAT PANDEMIC WAR: EUROPE AT A CROSS ROAD BETWEEN ALEXANDER HAMILTON AND THE MURPHY LAW

The European Union has had enormous merits. The problem, however, is that institutions conceived at the end of the Second World War, in order to govern the XX century, are no longer adequate to a new context. More specifically, was there any strategic mistake of a generation of leaders who dedicated passions and intelligence, rare qualities nowadays, to create the European Union? How did the Pandemic change the balance? Are we living Europe's HAMILTONIAN moment – the one when the Union scales up its integration to respond to the crisis – or its Murphy Law phase when “anything which can go wrong will go wrong”?

THE WAY FORWARD: THE FIRST CONFERENCE MANIFESTO AND THE IDEAS TO TRIGGER A DEBATE

The first MESSINA/ TAORMINA conference produced a manifesto¹² signed by participants with ten recommendations and focuses on three key issues (on enhancing the EU's role in the battle for global digital leadership; reshaping the Union on clusters of deeper integrations; experimenting new mechanisms of participation to democracy). The main message was that the EU has the urgent need to become more efficient and capable of much quicker decision making. On the basis of the manifesto which are the ideas to feed the debate in Messina/ Taormina and the ones to be suggested to the official “conference on the future of Europe” launched by the Parliament, Council and the Commission?

EUROPE 2030: A DIALOGUE ON THE FUTURE

The “dialogue on EUROPE 2030” will be the opportunity to listen to the vision on the future that some of the head of governments would like to share with the Messina/ Taormina conference.

¹²

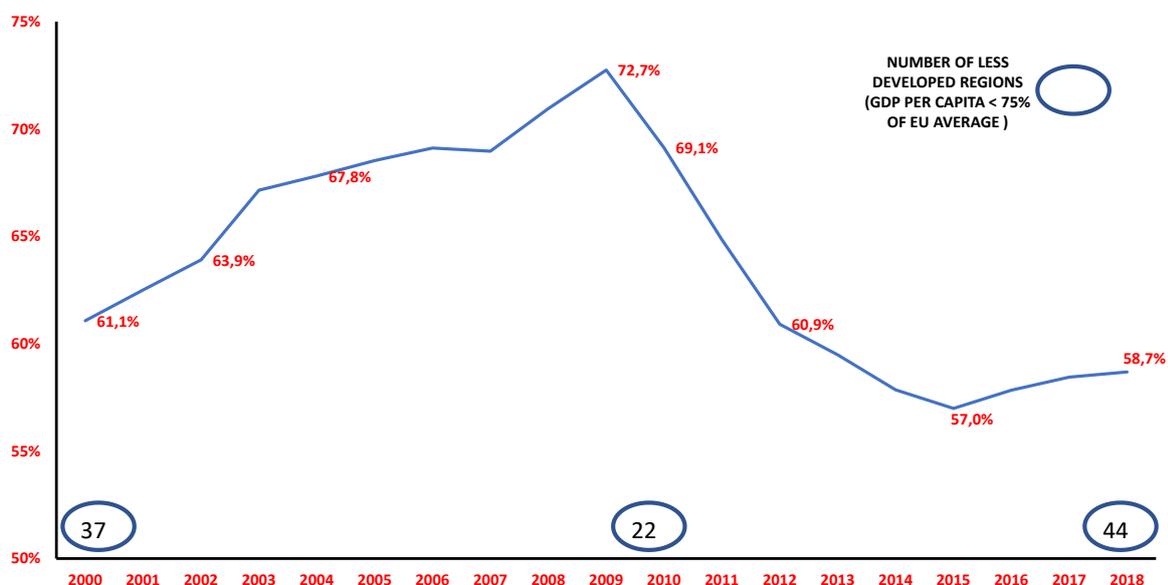
https://www.thinktank.vision/images/2020/Taormina_conference/WG/Manifesto_Conferenza_Taormina_Messina_final.pdf

THE OTHER NEXT GENERATION EU AND ... REFORMING REGIONAL COHESION POLICIES

Much of the debate on the response of the Union to the Pandemic crisis has been absorbed by the implications of the new 750 billion EURO package called Next Generation EU. However, NGEU is only a part of a much larger multiannual financial framework whose total size is of 1,850 billion EURO to be spent in 2021 – 2027 programming period (which is almost twice the budget of 959 billion EURO that were made available to the Commission for the previous 2014 – 2020 period). In fact, almost one third of the budget of the Commission is dedicated to Cohesion Policies to be spent mostly in less developed Regions (like the ones of South Italy including Sicily) with the objective to reduce important gaps in growth and employment across the EU's territory.

However, statistical evidence suggest that in recent years the inequalities amongst regions have reverted their downward trend and they are growing¹³ again.

INCOME PER HABITANT AS A % OF EU AVERAGE OF THE LESS DEVELOPED EU REGIONS (EU 15)



SOURCE: VISION & VALUE ON EUROSTAT DATA

¹³ As in a recent Vision paper mentioned by THE ECONOMIST
<https://www.thinktank.vision/en/media-en/articles/you-can-keep-your-money>

Which are the ideas to increase the capability of cohesion policies to reach their objective? Is the paradigm of smart specialization (the idea that each Region develop distinctive competitive advantage on the basis of its own characteristics) working? Could regional policies adopt the NGEU's philosophy to only pay member states when expected results are achieved?

BREXIT ONE YEAR FORWARD: IS THERE LIFE AFTER THE EU?

We all mourned the results of the referendum on the 23rd June 2016 as the date when our British cousins decided to leave the Union and this was even more true for a think tank like VISION, which literally lives between London, Brussels and Rome. Brexit was also expected to be the Armageddon which would have buried the ambitions of a people “incapable of accepting to no longer be an empire”: these were the forecasts of most of the City based banks overtly worried of losing some of their most lucrative businesses. And yet, three months after the official departure the disaster still has to materialize. According to the IMF the recovery from the Pandemic will be stronger in UK than in the EURO area (5,3 in 2021 and 5,1 in 2022 for the former vis-a-vis 4,4 and 3,8 for the latter) although this compensates a bigger drop in 2020 for the UK.

More importantly the Vaccine campaign has been much quicker in UK (by 25th March 2021 50% of British citizens had received the first dose vis-à-vis slightly more than 10% of EU ones) with drastic consequences on the number of deaths (which have gone almost to zero in UK and are still counted in hundreds in many European countries as of end of May 2021)¹⁴. Both results seem to be due to a quicker fiscal stimulus and a better handling of contracts with pharmaceutical companies may have not been possible if the UK was still part of the EU. And yet the bet on long term results is still largely on a very negative final outcome which may even untie the United Kingdom.

¹⁴ As for VISION paper (2021) on “The vaccination race: the British Aston Martin versus the European Diesel” <https://www.thinktank.vision/en/magazine/the-future-of-europe/the-covid19-vaccination-race-the-british-aston-martin-versus-the-european-diesel>

BACK TO AFRICA: THE NEIGHBORHOOD AS EUROPE'S NEXT FRONTIER

It is certainly true that the Union is, by far, the largest donor to Africa and also a big provider of technical assistance to African states; yet, politically, it is not as relevant as it should be in a continent which is vital to its own future. In a sense the problem goes beyond the European Commission possibilities and it has got a psychological dimension: a growingly inward-looking society is limiting its leadership role in an ever-changing world and the vacuum that the continent left is being filled by rising aggressive competitors¹⁵.

Europe wrote some of the worst pages of history (colonialism) in Africa, but it has now left its neighbours to their own fate, and to the aggressive leadership of other global players with limited (if any) commitments towards strong shared values such as human rights and civil liberties. Libya, Tunisia, Egypt and Algeria are all living a long “Arab winter”.

A renewed Europe must recover a global role and the African continent holds great economic opportunities that the Chinese are exploiting with the same methods that raised out of poverty 700 million of their own people. In China's eyes, Africa is a great market opportunity and an area in which to foster political leadership. China is, in fact, exporting not only development: currently, it is conducting ‘vaccine diplomacy’ but also exporting surveillance technology helping authoritarian governments to crack down on political opposition groups. Turkey and Russia are also competing on the military ground for the access to vital resources and market opportunities. So there is a big strategic question: which economic and societal model will Africa choose? One based on state-led economic development and authoritarian practices or one built around political freedoms and the SDGs?

¹⁵ The background to AFRICA session reflects the 2019 VISION paper accessible to <https://www.thinktank.vision/en/magazine/the-future-of-europe/a-platform-for-a-21st-century-europe>

Europe should grow and re-think its Africa strategy, taking seriously its rhetoric of seeing Africa as its 'sister continent'. Trade agreements that lift excessive duties on African agricultural exports to Europe should be established. In turn, African countries need to be able to establish policies for domestically-produced goods and services, such as accessing quality and affordable European technology. An economic rebalancing ought to ease migratory flows, which could also be further regulated by establishing, through transparent and democratic oversight criteria and processes, a wider area of free movement. New technologies will be key to this undertaking, and they will also serve to the effective maintenance of peace. Europe should favour intelligence gathering and support to African peace making efforts to tackle instability and foster democratic practices worldwide. We need to get real with the 'African solutions to African problems' rhetoric. This will require Europe to update its mental map of Africa to see and seize the new opportunities of a modern partnership.

Above all a strong investment into human capital has been made much more urgent by the COVID-19 Pandemic which emptied schools in Africa more than elsewhere. Education, students and teachers mobility may be the best opportunity for making Europe an influential soft power in Africa.

WORKING GROUPS - BACKGROUND

GROUP 1. DEMOCRATICALLY ACCOUNTABLE GLOBAL DIGITAL PLATFORMS AS THE EUROPEAN APPROACH TO THE BATTLE FOR THE 21ST CENTURY¹⁶

If we consider the battles¹⁷ defining the quest for global digital leadership, Europe seems to have not even fully entered them. There is no European global digital platform for e-commerce or for social networking and with the departure of UK, the EU lost any presence in chip making. Nokia and Ericsson have long lost all significant trains of innovation on mobile production and design. As far as the 5G, rechargeable batteries for digital devices, control of rare materials (from cobalt to nickel) Asia is leaping forward; and more importantly it is the PANDEMIC which is showing that in terms of wide adoption of digital technologies in cities, hospitals and education that Europe is being left behind.

The consequences of such a delay are far-reaching. The following chart reminds us that in the ranking of the most valuable companies of the world (in terms of market capitalization) there is not even one European in the top 50 (whereas, Switzerland has got five of them); only 28 of the 500 UNICORNS (technological start ups whose value is supposed to be higher than 1 BILLION USD) are from EU countries (UK has got 24).

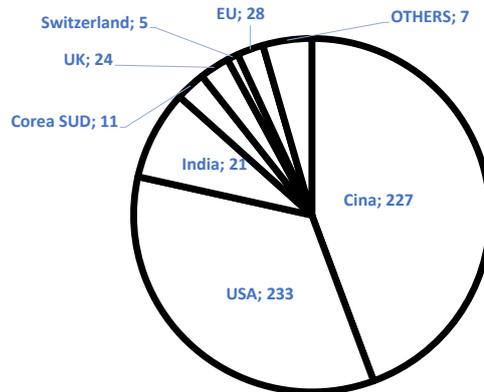
¹⁶ The background is completed by the conclusions of the 2020 Taormina Conference on global digital platform accessible here

https://www.thinktank.vision/images/2020/Taormina_conference/WG/WG1_conclusions_.pdf

¹⁷ VISION paper consider: suit for PCs, tablets and mobiles (dominated by Microsoft and Kingsoft), search engine (like Google, Baidu and Yandex), mobile makers and designers (Apple, Samsung, Huawei, Xiaomi), online payment platform (We Chat and Alipay), e-commerce platforms (Amazon and Alibaba), Social media (Facebook, We Chat, Weibo, V Kontakte), chipset makers and designers (Intel, NVidia, IBM, Qualcomm, Huawei, ARM, TSMC), self-driving automakers (Tesla Autopilot, Google and Baidu Apollo, Yandex OS), turbo jet engine maker (French Saffran can do it but only in partnership with GE, but UK, US, China and Russians have thier own independent industies), electric cars and lithium batteries. Pratically in none of these industries EU is competing for market leadership.

RANKING OF LISTED COMPANIES (FOR MARKET CAPITALIZATION, LEFT) AND DISTRIBUTION OF UNICORN (START UP WHOSE VALUE IS HIGHER THAN ONE BILLION USD, 2020) PER COUNTRY (RIGHT)

COMPANY	30 SEP 20	30 SEP 2019	CHANGE
1. SAUDI ARAMCO	2029	1987	2,1%
2. APPLE	1981	1012	95,8%
3. MICROSOFT	1592	1062	49,9%
4. AMAZON	1577	859	83,6%
5. ALPHABET/ GOOGLE	1000	838	19,3%
6. ALIBABA	795	435	82,8%
7. FACEBOOK	746	508	46,9%
8. TENCENT	647	399	62,2%
9. BERKSHIRE HATHAWAY	509	511	-0,4%
10. VISA	426	385	10,6%
71. SAP (FIRST EU)	155	170	- 8,8%



SOURCE: VISION ON BLOOMBERG AND TECHCRUNCHDATA, HURUN

The consequences, however, are not only on an economic plane. If it is still true that “information is power”¹⁸, we, then, have a very powerful explanation encompassing the many different crises we witness and comment at the national level and for which we still miss some theory. The INTERNET era has massively reallocated information, and, as a consequence, the forms through which power is achieved, limited, exercised need to be reorganized.

The idea of a “digital Union” (or of a more controversial “digital sovereignty”) is, therefore, not only a urgent priority but the possibility to provide to the Union a mission which is relevant enough to justify its political survival in the 21st Century. After all the construction of modern nation States found its powerful economic motivation and then legitimacy in the need to develop transportation infrastructures. Roads, railways, squares, and ports would allow factories to exchange goods so that they could specialize and increase productivity using the marvels of mechanization. Digital platforms are the equivalent of those infrastructures. They are the “pathways” through which services, goods, ideas, and relations are channeled in the 21st Century.

So far, however, Europe lets its own future slip through its hands. A handful of private companies – some only recently made public in the US (and, as such, regulated by the SEC), others Chinese (and, as such, rigidly controlled by the Chinese Communist Party) – own the contemporary “infrastructure” we all use. It will be very difficult for Europe

¹⁸ As Sir Francis Bacon states in the novel NEW ATLANTIS

to be a leader in standard setting in the digital domain if it is not a leader in terms of companies and capabilities.

It is, thus, a question of state-of-the-art regulations and policies, but also of investments: both in new, public European platforms and in start-ups that will create services for those platforms.

WG may then focus its problem solving around the following five strategic questions:

1. For a start what does count as a digital platform? any digital service, regardless of size, that exhibits network effects? a digital service that can channel data gathered for one purpose, say social media, to other purposes, say payments? a "gatekeeper" as defined in the DMA? something else?

2. Does it matter that all the largest existing digital platforms are not European? European consumers, private-sector and public-sector institutions have access to many platforms: European merchants can sell goods to European shoppers on Amazon; European retailers can advertise to European consumers on Google and Facebook. What is the real concern of the Europeans? Impossibility to protect the ownership of business relevant data on your products/ consumers which may lead to competitive disadvantage for European firms, less competition and paradoxically less innovation? Crisis of traditional, more diversified media with the emergence of monopolies capable from outside Europe to select information with risks for democracy? Loss of privacy meant as an individual human right? Erosion of tax base for already heavily indebted European states? Difficulty to impose on non-European firms labor markets regulation and workers' protection? How does this change according to the type/ definition of platform we are talking about?

3. What is the best way to ensure that Europeans have access to services offered by digital platforms and solve above most pressing potential problems? Enable easy, open to everybody and reliable access to existing

non-European ones? European control of how data are treated and if this is the case who should be empowered for such a scrutiny? Elected governments? Ad hoc agencies (like the Competition and Market Authority in UK)? Citizens? European firms? Foster an environment in which new business models (open source based) can flourish? Incentives (through targeted rules) and aids to create digital European champions? (By creating a genuine single market in services, which might lead to all-new platforms that do not compete directly with existing non-European ones? by putting the screws on non-European platforms--forcing them to share data or know-how, giving users rights to their data, breaking the platforms up, somehow capping their market shares--to make it easier for European versions of existing services to gain a foothold?)

4. What rules do digital platforms, existing or emergent, need to follow? (Again: data-sharing? user control over data? no favouring a platform's own services/products over those of third parties? top-down market-share caps?) Would we make a difference between American and Chinese (or Russian) platforms?

5. If any such rules are imposed to constrain digital platforms, would these same rules make it more difficult for new ones to emerge in the first place? (You could imagine that if Facebook or Google started out in a world where users had greater control over their data these platforms might never have grown to their current size. Is a world with many more smaller digital platforms preferable to a world with a handful of big ones? Is it better to have a few big platforms, including one or two European ones, or a greater number of smaller platforms none of which are European?)

GROUP 2. NEXT GENERATION EU AND COMPLETING THE EU HAMILTONIAN MOMENT¹⁹

The unprecedented decision of having the European Commission to directly borrow money on behalf of its 27 member states²⁰ in order to finance a 750 billion Euro plan for recovery (the NEXT GENERATION EU), was rightly welcome as the “HAMILTONIAN” moment in the history of the European Integration.

However, Alexander Hamilton did not stop himself to propose the federalization of the debt due to the funding of the “independence war” which gave birth to the United States. He went on to give to the federal government in Washington DC the monopoly of issuing money (which the EURO member states have already forgone to the European Central Bank) and the power to establish the quantity of overall public debt in the USA. Federal taxation was introduced in 1787.

One year after the historical proposal made by Merkel and Macron (which the European Commission used as a blueprint), Hamilton would suggest that we still have a long way to go. Main doubts are on three crucial issues: the adequacy of the size of the package; the timing by which it eventually reaches European economies; the quality of the expenditure and, thus, the question whether NGEU can have a transformational role of old industrial models into greener, digitalized growth patterns.

One year after, NEXT GENERATION EU seems to be too little vis-à-vis a crisis which became much deeper.

As for the following graph, 750 billion EURO of which only 390 billion are grants (this sums up to 0,7% per year, in the next six years, of the GDP of the 27 countries)²¹ are smaller than the stimulus that, in comparison,

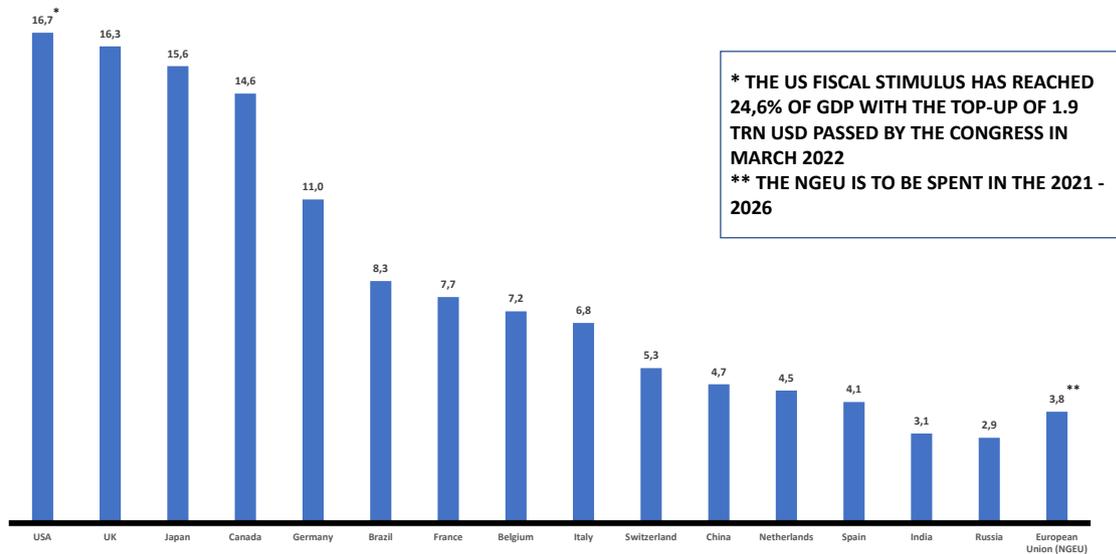
¹⁹ The background is completed by the VISION paper on “completing EUROPE’s Hamiltonian moment” accessible at <https://www.thinktank.vision/en/magazine/the-future-of-europe/one-year-later-is-next-generation-eu-working>

²⁰ In fact this was not exactly the first time – the European Commission did, in fact, borrow to finance the European Financial Stabilization Mechanism before. However the dimension of NGEU financial needs (750 billion EURO) is on a totally different scale.

²¹ As a matter of fact to keep numbers comparable we should qualify them by considering that 360 billion of the 750 are loans to member states. The same applies to the additional 100 billion of the SURE facility whose objective is to address sudden increases in public expenditure for the preservation of employment.

the US²² or the UK²³ have injected in their economy; but it is, also, relatively little when compared to the “immediate stimulus” injected in the economy by single member states in 2020²⁴, although this again points to be a still largely national response.

SIZE OF THE FISCAL STIMULUS AS RESPONSE TO COVID-19 (ADDITIONAL GOVERNMENT SPENDING AND FORGONE TAX REVENUES IN 2020, AS % OF 2019 GDP)



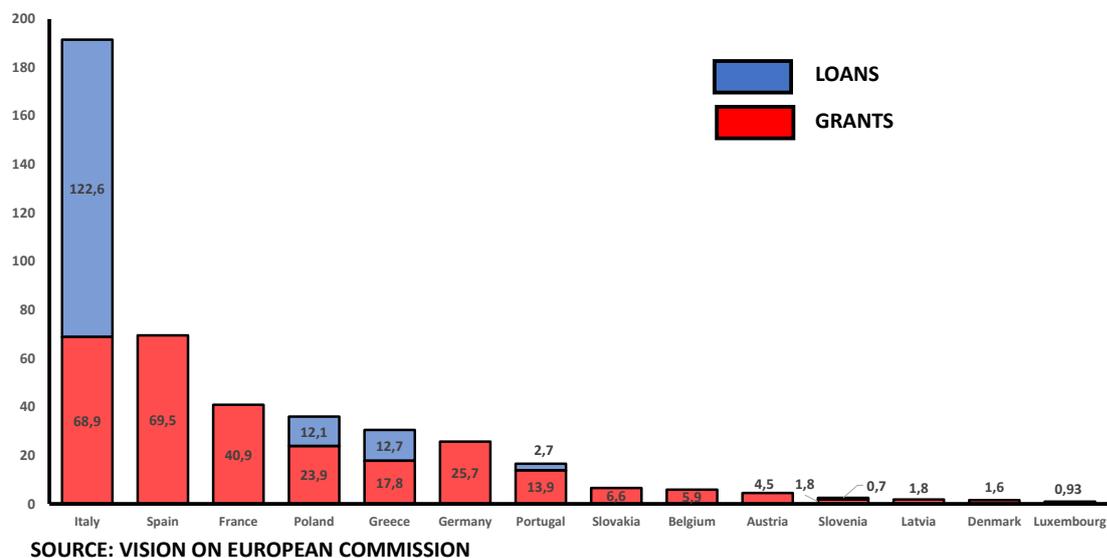
* THE US FISCAL STIMULUS HAS REACHED 24,6% OF GDP WITH THE TOP-UP OF 1.9 TRN USD PASSED BY THE CONGRESS IN MARCH 2022
 ** THE NGEU IS TO BE SPENT IN THE 2021 - 2026

Source VISION on IMF data

As for April 31st ²⁵ fourteen out of 27 member states had presented Plans for Recovery and Resilience and yet the overall package became a) smaller due to the reluctance of some member States to ask loans (which may have been crowded out by the support of the European Central Banks making cheaper for EU States to issue public debt in the markets) and b) dangerously dependent on the outcomes in one single country (Italy) which may end up counting almost 40% of all NGEU’s resources.

²² In 2020, the US congress spent 4 trillion USD – 9,1% of the 2019 GDP - and it is now considering an additional 2 TRN of emergency spending
²³ 8,3% according to “Fiscal response from the economic fallout from CORONAVIRUS”, 24 November 2020, BREUGEL
²⁴ This ranged from the 8,3% of the GDP in 2019 for Germany to 3,4% in Italy. Again according to same BREUGEL’s publication
²⁵ As for the art. 15 of the “Regulation establishing a Recovery and Resilience Facility”, “the recovery and resilience plan presented by the Member State.. shall be officially submitted at the latest by 30 April”.

RECOVERY AND RESILIENCE FACILITY, FUNDS REQUESTED BY COUNTRY, NATIONAL PLANS DELIVERED TO THE EUROPEAN COMMISSION C BY MEMBER STATES (AS FOR THE 8th MAY 2021, BILLION EURO)



Yes, the NEXT GENERATION EU was a big decision, but it fully describes a mechanism (it took more than six months for the proposal of the Commission to be first approved by the Council and then by the Parliament, whereas the first money will be spent roughly one year after) which is simply too slow a reaction to emergencies and this partially explains why European Commission itself is forecasting that the EU will reach the same level of PRE-COVID output roughly one year after the rest of the world (as for the EC's winter economic forecasts).

Not less importantly even the effectiveness of promoting some strategic priorities (the green deal as well as digitalization) by earmarking money to certain minimum percentage to be spent on those issues, appears to be questionable. A greener Europe will be a lot about innovating radically consumption (circular economy) and production models (together with entire industries like car making): any innovation, however, requires to make choices that seem to go beyond the possibilities of an instrument managed through regulations.

Vision proposes few questions/ proposals around which the WG will articulate its problem solving:

- 1) is it a good idea to wait for the outcomes of the current NGEU before we can possibly start a first assessment of the mechanism (of its regulation) with the view to "make it permanent"? is it a good idea considering that these "outcomes" will mostly depend on the GDP

growth rates of a country (Italy) which has been lagging the others for a couple of decades (and at a much lesser extent on Spain)?

- 2) Should a permanent NGEU, and thus a permanent capability of the European Commission to respond to crises with its “own resources” come with a reform so that the Commission can act – within certain conditions and budget – independently? How should be these conditions and upper limit budget? Should more power for the EC come with EC’s more responsibility on the final results? Should such a process be delegated to some EC agency or to a technical body similar to European Stability Mechanism) the power to react to shocks?
- 3) If the problem is too late, what if part of the money is spent directly reaching citizens and individual needing support? What about the hypothesis to create a safety net (via re-skilling and universal basic income) directly managed at European level for people left unemployed by crises?
- 4) If the question is about mobilizing private money, what about using more EC money to co-finance with private financial institutions close end funds specialized to provide equity into some specific industries?
- 5) If the problem is over-ambition, what about the (apparently crucial) link between reforms and investments? What if the EC focuses just on “changes” (“reforms”) which are necessary to implement the plans (for instance rules of public procurement)?
- 6) Is the earmarking (minimum percentage of money spent on green, digital, ..) of the “national recovery plans” an effective instrument to make sure that some European priorities are respected everywhere?
- 7) What about spending a significant share of the funds on EU-wide projects which may be focused on cross border digital infrastructures (broadband) and on research/ production projects on technologies which are key to EU ecological transition or digital sovereignty? So to bypass lengthy negotiations amongst States (for instance the one between “frugals and the rest)?
- 8) What if we overcome the idea of having one single day for the delivery of National Recovery and Resilience Plan and we move to a more realistic “first come, first served” approach where different investments/ reforms are presented to the Commission when ready?

- 9) What about the relationship between the NGEU and the European Central Bank? Is there something to be done to avoid that too low interest rates “cannibalize” the option for States to get loans from NGEU?
- 10) How should change the “growth and stability pact” within this context?

GROUP 3. THE GREAT PANDEMIC AND ADAPTING THE WELFARE AND HEALTH SYSTEMS TO THE 21ST CENTURY²⁶

With almost two million deaths from Coronavirus Disease 2019 (COVID19) to date and the largest economic shock the world has ever experienced since 1945²⁷, the pandemic crisis has been compared to the WORLD WARS which defined the 20th century.

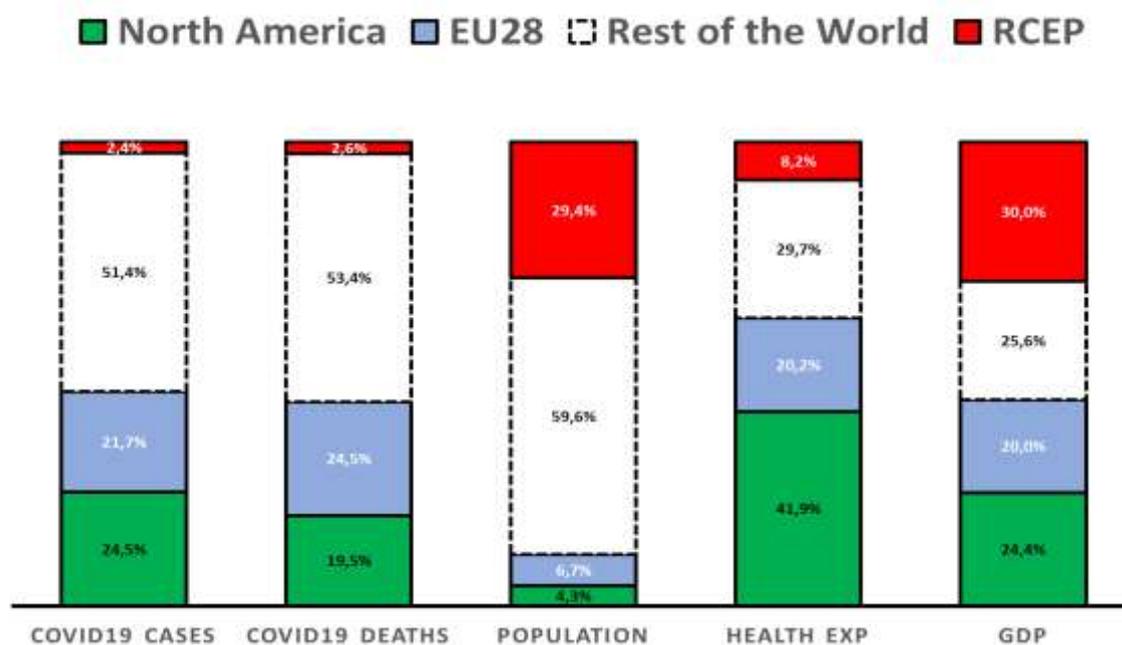
Who is losing the PANDEMIC war?

If we look at the most significant Covid-19-related numbers – distribution of COVID-19 cases and deaths (as reported by the World Health Organization) – it looks like that North America (USA and Canada) and the European Union (considering the EU28 including the UK until 31st Dec 2020) bear a share that is much greater than their contribution to the world’s population (as for the graph below).

²⁶ The background is completed by the VISION paper on “COVID-19 pandemic: winners and losers” accessible at <https://www.thinktank.vision/en/media-en/publications/the-covid19-pandemic-winners-and-losers>

²⁷ the drop will be of 8.2% of world GDP in 2020, if we proxy the impact as the difference between January 2020 and October 2020 International Monetary Fund’s projections for global growth- IMF, World Economic Outlook

DISTRIBUTION OF WORLD COVID19 CASES, DEATHS (AS OF 15th APR 2021), POPULATION, HEALTH EXPENDITURE AND GDP (2019) (European Union, USA + CANADA, Regional Comprehensive Economic Partnership – ASIA PACIFIC AND OCEANIA)



Source: VISION on WHO and World Bank data

According to a VISION's paper, 50% of health costs are borne by only around 10% of the world's population living in Europe and North America. The picture, however, becomes more surprising when we consider that these regions account for almost two third of the world's expenditure on healthcare and host 33 of the 35 largest pharmaceutical companies of the world.

On the hand, the 15 ASIA – OCEANIA countries which share the Pacific western shore (and just established the largest free trade area of the world – the Regional Comprehensive Economic Partnership) did much better: notwithstanding they host 30% of the world population (more than 2 billion people) and account for 30% of world GDP, they still suffered less COVID19 deaths than Spain alone (with less than 50 million inhabitants). And yet the fact that Spain was considered the third best healthcare systems of the world (for instance, Reuters 2020) says that we may have been missing something.

True, amongst those 15 countries, we have the huge, controversial case of CHINA, however Japan, South Korea, Australia, New Zealand are also part of the group and they seem to show a return for each euro spent in public healthcare which is hundred of times higher than EU or the USA.

In the second phase, owing to a better vaccination campaign and the demonstration of great scientific prowess, USA and UK, have been reduced the burden; whilst, the EU appears to have been greatly slowed down by the very decision to suddenly bring to the European level a policy which is still technically and firmly national.

More recently, Europe has recovered some of the 1st ground and yet the entire pandemic seems, therefore, to expose the fragility of a construction which has been the pride and probably even the essence of the European project for a long time (as Angela Merkel reminded few times defining the UNION as the Welfare Superpower).

How will healthcare and more generally welfare systems adapt to the risks and opportunities that the 21st century is producing?

Vision is introducing two options that the WG will discuss:

a) the possibility to introduce in the treaties (or at least in provisions like SCHENGEN) that some of the decision making vis-à-vis (only health?) emergencies are transferred at European level (for instance, the closure and opening of national borders, the standardization of data to be collected, the design and execution of emergency responses like the procurement of vaccination),

b) a strong overhaul of health care systems based on technologies enabling the provision of monitoring health conditions and healing bodies at distance.

In addition to above plenary sessions and three working groups, the conference will host also the presentation of proposals for promoting European Demos. Alongside the conference the TAObUK festival will host an additional session on “The future of media and the space for Europe wide media”

POSITIVE ACTIONS FOR BUILDING EUROPE FROM THE BOTTOM²⁸

“We (half) made Europe; we now need to make Europeans”. What the Italian patriot Massimo D’AZEGLIO said about the project of “making ITALY” in 1861, may well apply to Europe. Without a European Demos and a Euro wide debate which cannot be split along national lines, further integrations will be politically weak and could even backfire.

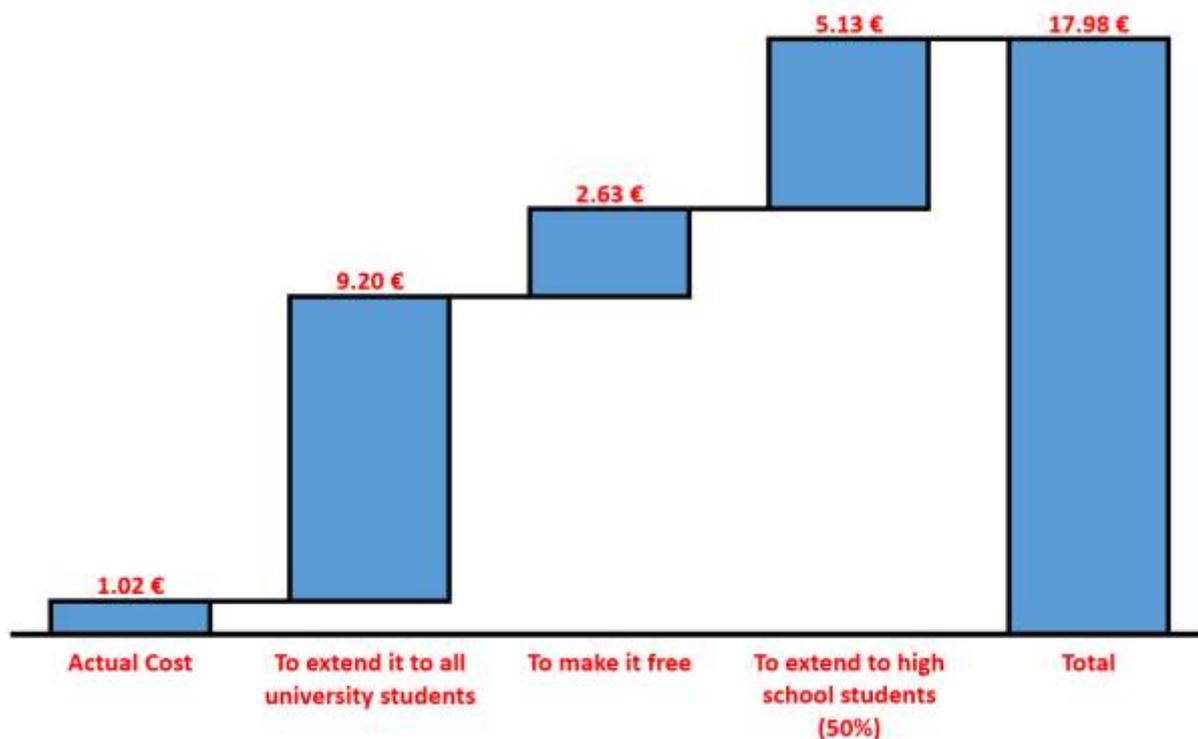
Italy and other states became (at least partially) “united” through the public schools, as well as the nation-wide television and military conscription. The Conference will consider actions specifically targeted to encourage the creation of a European demos, or at least a European public opinion without which the entire construction is fragile.

Vision position paper will, therefore, introduce to the WG three options upon which further promotion through European civil society and institutions will be called upon:

a) the possibility of a much bigger, free for all one of the most successful EU projects which has been the Erasmus program; and of a European civic service program, based on the Swiss model, would integrate academic life with professional education and internship experiences across several countries;

²⁸ The background is completed by the VISION paper on “ERASMUS and Community Service: the way forward” <https://www.thinktank.vision/en/media-en/publications/erasmus-and-civil-service-as-the-way-forward-to-a-european-demos-rationale-and-feasibility>

ESTIMATE OF AN ERASMUS REACHING ALL EUROPEAN COLLEGE STUDENTS AND HALF OF THOSE IN SECONDARY SCHOOL (COMPARED TO 2018 VALUES, IN BILLIONS, PER YEAR)



Source: Elaboration by vision from Eurostat, QS and DG Education

b) the possibility of having the EUROPEAN UNION as a lab of new mechanisms of democratic participation: more specifically we will consider the options for all citizens to electronically join and voting a Euro – wide constituency for next European elections.

THE FUTURE OF MEDIA AND THE SPACE FOR EUROPE WIDE MEDIA

The INTERNET is equalled by some²⁹ to a technology introduced by Johannes Gutenberg in 1455 in Mainz, Germany. The printing machine used to reproduce the BIBLE created the technical conditions for a knowledge revolution that transitioned the Middle Ages to the Modern times.

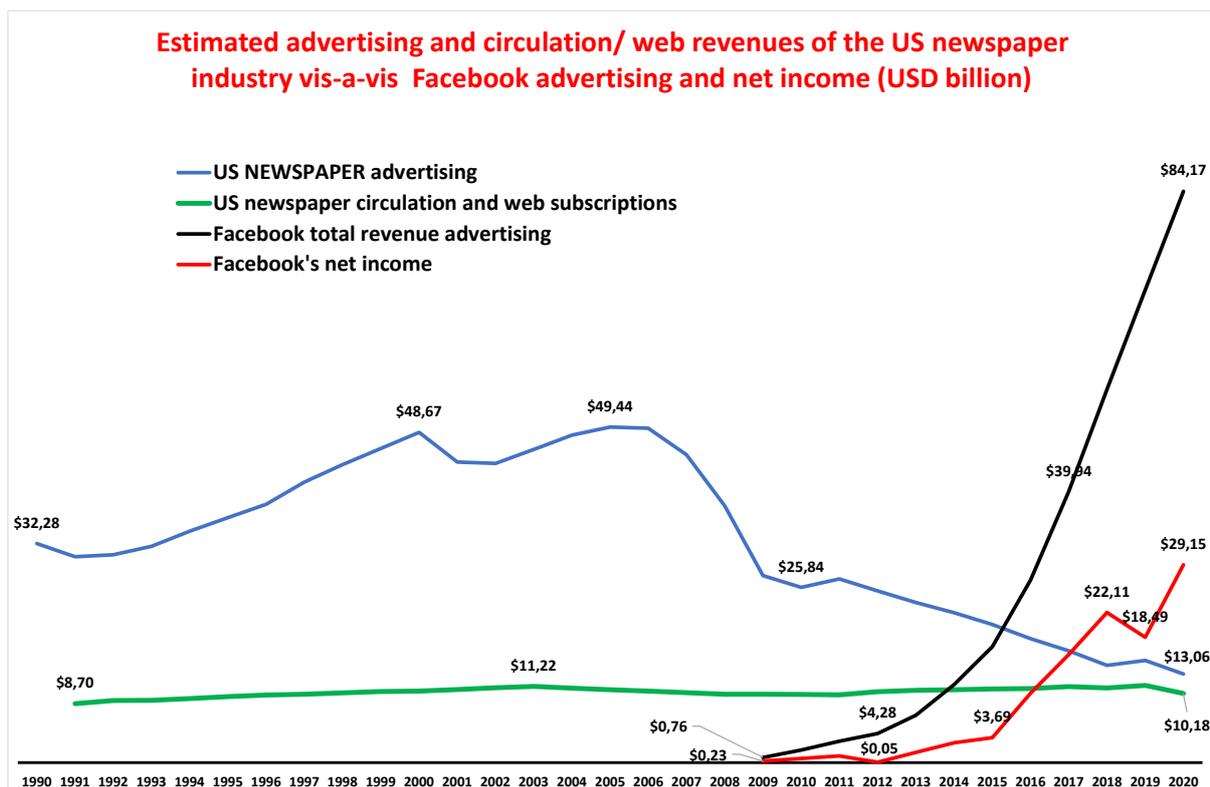
The reduction in the costs of reproducing knowledge, lost to the Church its position as repository and intermediary of people’s access to information and, since information is power, this resulted into a

²⁹ Grillo and Nanetti (2019), Democracy and growth in the 21st century, SPRINGER NATURE

reallocation of power which saw the decline of monarchies and the emergence of parliamentary democracies.

The advent of social networks may have triggered a similarly revolutionary process and traditional media have been the frontline of the revolution that INTERNET has triggered. No other industry has been more directly impacted by the emergence of a technology which has made everybody editor of her own contents and yet concentrated the control of information at an unprecedented extent.

The graph below provides some of the basic economics of the transformation we are witnessing. The advertising revenues for the US newspapers run today at less than a third of fifteen years ago, whereas FACEBOOK alone makes almost seven times more money out publicity of all US newspapers put together (plus it is much more profitable with Return on Sale which is more than 30%).



It is, however, not less interesting to consider that the sharp decline in advertising revenues had started even before the take-off of Mark Zuckerberg's group and that even revenues from circulation,

subscriptions and web related services are flat (or actually declining if we consider inflation).

This is brining about a dramatic erosion of the economics of an entire industry but also (since information is power) a challenge to the political regime – liberal democracy – of which media were a bastion (and which we can not reduce to some algorithm to get rid of “fake news” or “hate speeches”).

The session will then be the opportunity to discuss few important questions which VISION may pursue with further projects and debates:

- a) Which business models can make sustainable the production of information of high quality (meaning by “quality” its objectivity, completeness and relevance to readers)?
- b) What can EUROPE do so to deliberately pursue instruments to promote a EUROPE wide debate?
- c) Is there still the space and the need for “public service” (and publicly owned media like BBC or RAI)?
- d) Is self-regulation good enough for social media like FACEBOOK and TWITTER?