



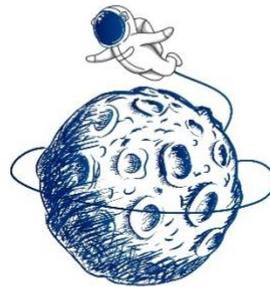
UNIVERSITÀ DI SIENA 1240



## SIENA THIRD CONFERENCE ON THE FUTURE OF EUROPE

(ORGANIZED BY VISION AND SIENA UNIVERSITY)

### TIME FOR EUROPE'S MAN ON THE MOON MOMENT



EU'S MAN  
ON THE MOON  
MOMENT

**TWO YEARS ONWARDS LOOKING FOR THE IDEAS TO CONTINUE THE  
DEBATE ON THE FUTURE OF EUROPE IN THE 21<sup>ST</sup> CENTURY**

**26<sup>th</sup> – 28<sup>th</sup> MAY 2022**



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## DRAFT CONCEPT PAPER

# INTRODUCTION: TIME FOR THE EU “MAN ON THE MOON” MOMENT

“The worst crises are the ones which are wasted”: this is one of Winston Churchill’s most famous quotes and it is a reminder that there is a moral imperative to leverage on crises as one of the most powerful engines of transformation.

We are living a dramatic time. Years of annihilating threats and radical transformations. It is also a time when it becomes a moral obligation to adapt institutions conceived for a more stable context to a century which increasingly seems defined by ever more frequent and intense crises.

The first two Vision conferences on the future of Europe<sup>1</sup> took place in October 2020 and June 2021, while the continent was struggling with the COVID-19 pandemic. The third conference is being organized while hundreds of thousands of families are besieged in Kiev and Odessa. For the first time since the early sixties a nuclear strike cannot be classified as a negligible possibility. And this is happening while the globalization machine was slowly restarting its engine after the great pandemic freeze.

And yet this unprecedented crisis does not only significantly accelerate pre-existing technology and economy driven mutations, it also creates the moral obligation of a radical rethinking of how we govern complex societies. The United Nations and its Security Council, the World Health Organization, the NATO and the European Union itself<sup>2</sup>, they all need some radical rethinking.

The third conference that Vision is organizing with the University of Siena at the Certosa di Pontignano in Siena is meant to be a scale up of the previous events and the consolidation of project meant to create a permanent hub of ideas to reform the EU and to support the design and implementation of EU policies.

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<sup>1</sup> The conferences were co-organized by Vision (the Think Tank) and TAOBUK (The Taormina Book Festival) in Messina (and Taormina). Messina was chosen as the birthplace - in 1950 at a conference of the ministers for Foreign Affairs of the six founding countries (Italy, France, Germany, Luxembourg, Belgium, Netherlands) - of the very idea of the European Economic Community as predecessor of the European Union.

<sup>2</sup> Conclusions, pictures, press release and participants’ names are available at... as far as the first conference in October 2020 and... as far as the second in June 2021.



## THE CONTEXT AND THE OBJECTIVES

During the last two years, Europe has changed at a never-before-seen pace:

The European Central Bank pumped into the markets more than 1,5 Trillion euros in the 15 months from March 2020 to November 2021: this pushed the cost of borrowing to such a low point that even States whose rating is near the bottom of the “investment grades” could finance extraordinary financial rescue packages at close to zero costs.

Political priorities were drastically twisted towards an ambitious “Green Deal” and bold targets to reduce by 2030 EU CO2 emissions of 55% vis-à-vis pre-industrial level which implies a profound challenge to banks, industries, cities, farmers. The decision to issue common debt to finance the 750 billion euro “Next Generation EU” was seen by some as the “Hamiltonian moment” which will affect the nature of the Union and eventually modify the stability and growth pact that constrains national fiscal policies.

In the last months history started running even faster and more dramatically: the response to the invasion of Ukraine has witnessed a never-seen before unity of EU countries in a response made of economic sanctions which are being hardly felt in Russia and of which Europeans seem ready to pay the price and of an unprecedented deployment of weapons to the country which suffered the aggression.

A lot is being achieved and yet the EU needs more and must absolutely avoid complacency with progress which may still be seen as too little and too slow when compared with the reality of a completely different new century. True, Europe seems to have been resilient enough to overcome the “dark hours” that seemed to threaten its very survival (the European debt crisis from 2009 to 2014, the Brexit in 2016, the rise of populisms which still achieved their best result ever at the latest European Parliament election in 2019) and yet, it is the entire institutional fabric of the Union that seems to need an urgent and radical updating to a context where crises are becoming much more frequent, violent and affecting all Member States but just a selected few.

The same feeling of reduced relevance is even more evident when it comes to the battle for global digital leadership and innovation: if we consider the 143 companies whose market value is above 100 billion euro, one third of them were established in the last 50 years and none is European. At the same time, the crisis of the Rule of Law and Democracy is both a challenge internal to Member States where authoritarianism spreads and citizens’ trust in democracy is undermined, as it is a global challenge.

We, thus, need to answer to the challenge posed by the war at the borders of the Union to give substance to the old aspiration of a European foreign and security policy; to transform in a very radical way the shape of our welfare system and define the terms of a new “health union” which is technically a pre-condition to the survival of an area of free circulation of



people; to propose a new model to approach the Internet; to renew the European “lifestyle” finding a new balance between competitiveness and social protection. And yet, it is very difficult to do so with institutions that still depend on unanimity and without a proper European space for public debate.

History teaches us that after the global wars of the twentieth century, new “world orders” were crafted. We believe that the time has similarly come for a fresh start. Sixty-five years ago, six governments were preparing the Rome Treaty. In June 2022, the think-tank Vision and the University of Siena will convene a three-days’ problem-solving event in the Certosa of Pontignano where forty intellectuals, policy makers, journalists, historians, and visionaries will gather to generate and discuss bold ideas which will be a follow up of the official *Conference on the Future of Europe* (COFE), as well as the *State of the Union* to be held in Florence on 5<sup>th</sup> and 6<sup>th</sup> of May. It will provide a forum which is going to be more informal than the official COFE and a contribution to “crafting the future” (as for the Vision logo).

One of the distinctive features of the conference is in the approach we will use. We are convinced that overly complex questions like the “future of Europe” pose an intellectual challenge: we will try to find and develop viable solutions by assembling different skills, academic and professional backgrounds to share problem-solving and find a common language.

## **THE CONFERENCE AS A PROBLEM-SOLVING FORUM: THE METHOD AND THE KEY PEOPLE**

The conference is the third of a series (started in October 2020) which will feed institutions, civil society, and academia with fresh ideas on how to renew the European Union. The priorities of the two conferences in 2020 and 2021 were: to draft efficient EU policies on global digital platforms; to promote mechanisms so that a European identity/Demos and a European democracy can become a reality; to coordinate better healthcare systems at the European level; to elaborate on the idea of “clusters of integration” to overcome the paralysis of unanimity; to assess the NGEU in order to understand how to make it a fiscal lever for a stronger EU.

The first two VISION conferences on the future of Europe in October 2020 and June 2021 took place in the very days while the continent was still struggling with the COVID-19 pandemic. The health emergency had triggered the greatest crisis since 1945. And yet, like all previous global crises, it did not only greatly accelerate pre-existing technology-driven mutations, but it also created the opportunity for a radical rethinking of how we govern complex societies, the world, and the European Union itself. The final outcome of those conferences were a manifesto and conclusions from working groups. They fed the debate on the “Future of Europe” which was the result of the contributions of a great group of policy makers, academics, think tankers, managers<sup>3</sup>.

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<sup>3</sup> Conclusions, pictures, press release and participants’ names are available at <https://www.thinktank.vision/en/magazine/the-future-of-europe/taormina-messina-conference-the-manifesto>



The third conference that Vision is now organizing with the University of Siena at the Certosa di Pontignano in Siena, is meant to be a scale up of the scope of the last year Vision conferences and the consolidation of an event which is supposed to become a permanent hub of ideas and a problem-solving platform to reform the EU and to support the design and implementation of EU policies. The final goal is to place Siena/Florence at the forefront of the European discourse and to make the Siena conference an annual gradually bigger event.

Following the consolidated model of the previous conferences, the outputs of this conference will be a general manifesto proposing a different method of integration and an action plan for each of the problems/priorities analyzed by each of the four working groups.

The outputs will be shown at a presentation intended for European and national institutions and the media to engage the public opinion (Especially that of young generations).

The organizers of the conference are the University of Siena (whose rector is Professor Francesco Frati<sup>4</sup>) and Vision, The Think Tank (whose director is Professor Francesco Grillo<sup>5</sup>).

The Chairs of the conference are expected to be Sandro Gozi (European MEP, former Undersecretary to the Italian Cabinet of the Council of Ministers); Marta Dassù (Aspenia Italy Director, former Vice-Minister of Foreign Affairs), John Hooper (Correspondent for The Economist for Italy and the Vatican) and Annalisa Piras (Director of the “The Wake Europe Project” and of “The Great European Disaster Movie”).

International media partner is envisaged to be The Economist (UK). Alongside, we will have one of the main Italian newspapers and one of the main Italian TV broadcasters.

The Conference will be opened by the local hosts (the Mayor of Siena and the President of the Tuscany Region) and with an overview of the program by the two organizers together with the chairs.

The program will continue with two plenary sessions which will frame the debate.

Then, four working groups will be introduced by each working group’s presenter before the participants divide into the four groups. Each will be moderated by one chair who will develop the conclusions of the WG together with the presenter and one rapporteur. The rapporteur will then present the outcomes of the working groups to the plenary on day 2.

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as far as the first conference in October 2020 and <https://www.thinktank.vision/en/magazine/the-future-of-europe/second-taormina-messina-conference> as far as the second in June 2021.

<sup>4</sup> The team at UNISI included also Deputy Rector Luca Verzichelli, Professor Simone Borghesi. The conference was made possible by the supervision of the Servizio Supporto eventi culturali e convegnistici.

<sup>5</sup> The team at VISION included also researchers Federica Fusco, Clara Donati, Antonella Camerino, Anais Eva Agnessi, Antonio Negro and Claudia De Sessa.



The other five public plenary sessions will take place on days 2 and 3. The debates of all plenaries and working groups will feed into the general Conference manifesto. The following pages will provide the frame for each of the plenaries and for the working groups. The last section will propose a preliminary idea of the meta-question which is the file rouge of the various discussions that the conference will host: what kind of Union can be compatible for the quantum leap in integration that we are envisaging? Which is the method we would suggest to pursue the change in the nature of the already unique organization that we know as the EU? It is a meta-question which is absolutely crucial before we enter in a phase of reforms or even treaty changes. The concept paper is structured as follows:

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**PLENARY SESSIONS – INTRODUCTION**

**DAY 1 – EUROPE AT A CROSS-ROAD OF ITS HISTORY – THE PANDEMIC, THE WAR AND THE FUTURE OF EUROPE**

The Conference will start by assessing the current state of the European Union in the light of the dramatic acceleration of history that the war produced. It will discuss the outcomes of the Conference on the Future of Europe (bound to end in the Spring of 2022) and the State of the Union Summit, which will take place in between on the 9th of May.

**DAY 1 - WHICH ARE THE IDEAS TO FILL THE HALF FULL GLASS OF THE EU INTEGRATION**

Democratic deficit, strategic autonomy, fiscal and monetary policy, Next Generation EU, digital and sustainable innovation. This session will discuss more in detail the content of the concept paper, drawing the direction for the rest of the Conference debate.

**AFTER WORKING GROUPS PLENARY SESSIONS**

**DAY 2 - EUROPEAN MEDIA BETWEEN FACEBOOK AND THE NEED OF A EUROPEAN PUBLIC OPINION: A European TV streaming platform as infrastructure for pluralism and democracy**

An essential infrastructure of a democracy is media capable of guaranteeing high quality of information, whereas by quality we mean not only free of “fake news” but also capable enough to protect new ideas and to host a vibrant and yet civilized debate.

Likewise, a European media infrastructure is an essential tool to create a Europe wide debate and, thus, sustain a European democracy without which any integration would be unstable.

The plenary session will be the opportunity to discuss the need for a publicly financed European Television streaming platform which is meant to facilitate the emergence of an EU wide democratic discourse bringing together the vast variety of existing news and documentary content produced by European TV Stations in 27 Member States, both public and private, in such a way that citizens can search all the contents of interest and see any of the contents in their own language.

This will include reflections on the role and governance of this platform, its distance from the states, EU institutions and profit goals, following the BBC model, albeit without editorial



ambition, as the platform receives all content from existing stations and is thus not a TV station, but a platform in the legal sense of the word.

## **DAY 2 - RETHINKING AFRICA: How to make the African continent an essential partner for Europe?**

On the 7th April 2022, the UN Human Rights Council voted on the suspension of the rights of membership of the Russian Federation after the invasion of Ukraine. Europe and the US were shocked to see that only 93 countries voted in favour, while 58 abstained and 24 voted against. 18 countries were (strategically) absent. Of the 100 countries not supporting the resolution, 40 were African. It is hard not to see a shift of allegiances on a global scale.

There is a saying in Africa that when China comes, they get a hospital, while when Europe comes, they get a lecture. For European ears this might sound ungrateful, but it shows how the African continent is changing its stance towards Europe. This means that Europe itself must also rethink its strategy for Africa and the way it can make the African continent an essential partner in a changing geopolitical context.

A renewed Europe must recover a global role and the African continent holds great economic opportunities that China is leveraging upon 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. Turkey and Russia are also competing on the military ground for the access to vital resources and market opportunities.

The new EU Global Gateway Initiative which provides up to €150 billion in investments in Africa, mainly in projects around green energy and digitalisation should be the main guide. Trade agreements that lift excessive duties on African agricultural exports to Europe should be established. 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. 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.

## **DAY 2 - ERASMUS FOR ALL AND EUROPEAN CIVIL SERVICE: A proposal with two different options (making them free/economic sustainable for all; making them compulsory and distributed along life cycles) <sup>6</sup>**

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<sup>6</sup> 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>



Umberto Eco, once half-jokingly suggested Erasmus should be compulsory “not just for students, but also for taxi drivers, plumbers, and other workers. By this, I mean they need to spend time in other countries within the European Union; they should integrate.”

The Erasmus program has been long regarded as an overall successful initiative of the European Union. It proved to encourage soft skills learning, language skills and has overall proved to be a positive, educational experience for students all around the world. However, unlike Eco thought, participating in the Erasmus program has not proved to significantly increase the feeling of a “European identity<sup>7</sup>” (Van Mol, 2018) (Sigalas, 2010).

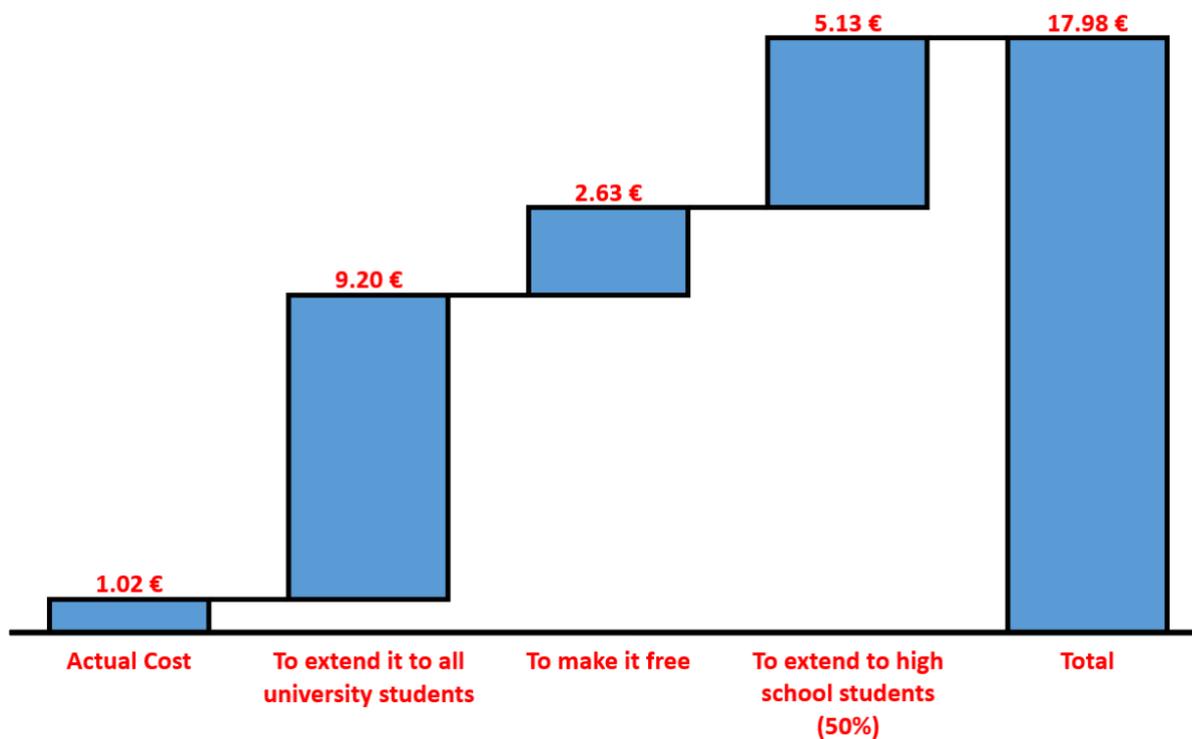
The reason why the Erasmus program seems to miss the mark in that regard may suggest, counterintuitively, that there may be a need to effectively expand the program. The categories that would benefit the most from this type of exchange do not, on the contrary, take part in it. Young people not at university or those with limited socio-economic means remain at the margin of an experience that could dramatically increase their chances of success in the future (Kuhn, 2012).

Vision puts forward the possibility of a much bigger, free- for-all Erasmus program (Vision estimates that it would cost approximately one third of what the EU is spending on Common Agriculture Policy as for the graph below); and of a European Civil Service program, based on the Swiss model, which will take place at various stages life cycle of citizens.

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<sup>7</sup> The definition of “European Identity” is a highly debated topic in itself. In this concept paper, we understand it in both the civic (being citizens of a European political system, whose rules, laws, and rights have an influence on their daily life) and the cultural sense (self-identification as a European as well as the identification of individuals with other Europeans, regardless of the nature of the political system) (Bruter, 2003).

**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

The plenary will call for a discussion on the scope, the nature of a policy meant to be a powerful lever to create a European Demos.

### **DAY 3 - US AND CHINA: Is there a right distance?**

Some of the questions to be addressed are the following: Can the notion of strategic autonomy be the overarching concept around which to develop the EU of the 21st century? Is American democracy stable enough? Is the NATO fit enough for a new century? Can we think of a division of labor between the US and the EU? Is China a partner or a strategic rival?

### **DAY 3 - THE NEXT GENERATION EU: can cross border investments for the green and digital transitions be the right focus? What about the response to symmetric shocks?**

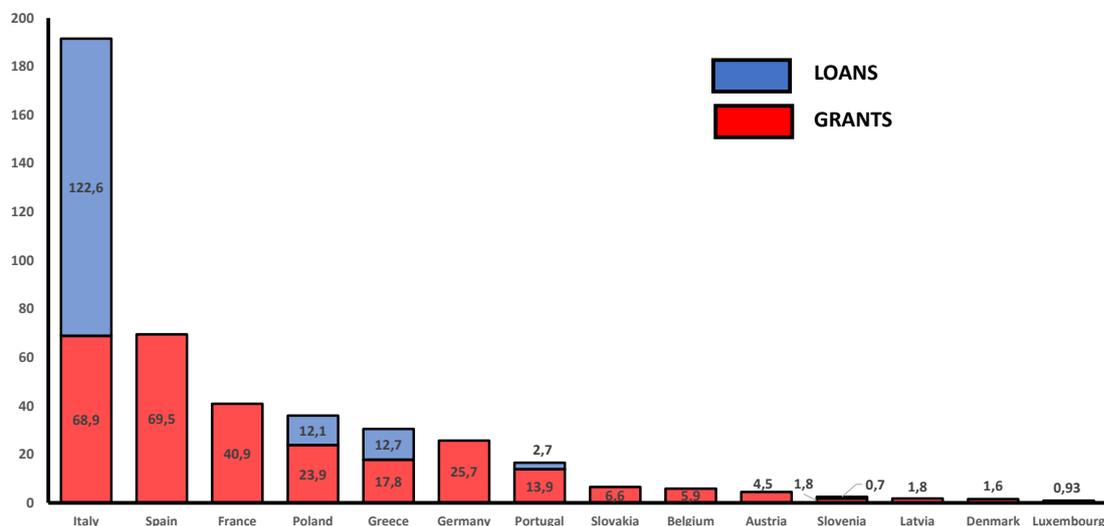
The unprecedented decision of having the European Commission directly borrow money on behalf of its 27 member states<sup>8</sup> in order to finance a 750-billion-euro plan for recovery (the

<sup>8</sup> 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.

NEXT GENERATION EU), was rightly welcome as the “HAMILTONIAN” moment in the history of the European Integration.

Two years 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. If we look at the 27 Plans for Recovery and Resilience, the overall package became a) smaller due to the reluctance of some member States to ask for loans (which may have been crowded out by the support of the European Central Banks making it 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 as almost 40% of all NGEU’s resources.

**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)**



SOURCE: VISION ON EUROPEAN COMMISSION

And yet, the NEXT GENERATION EU was a big decision. However, 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 amount of money will be spent roughly one year after) which is simply too slow a reaction to emergencies and this partially explains why the 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 making choices that seem to go beyond the possibilities of an instrument managed through regulations.



Vision suggests a few questions/proposals around which the WG will articulate its problem-solving:

- 1) Which are the investments that this brand-new fiscal capability should target?
- 2) Can cross border investments for the green and digital transitions be the right focus to such an EU fiscal arm?
- 3) How is the sudden urgency of a common security and defense policy going to change the equation?
- 4) Is there a way to create a permanent capability to respond to symmetric shocks?
- 5) Which are the reforms of the Stability and Growth Pact and to the role of the very European Central bank which are consistent with such a reform?
- 6) What is the right mix to finance that? Common debt to be repaid by Member states contributions; EU wide taxation (“common resources”)?



## **WORKING GROUPS - DAY 1**

### **WG1 - FINDING A ROLE WITHIN THE “BATTLE FOR GLOBAL DIGITAL LEADERSHIP” A NEW ERA FOR INDUSTRIAL POLICIES Merits and limits of the EU attempt to regulate global digital platforms**

If we consider the battles<sup>9</sup> 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, social networking, or other digital services (the only exception is Spotify) and with the departure of UK, the EU lost an economy with a significant digital innovation capacity. However, the potential held by these internet giants is far reaching, as they capture and trade one of the most important commodities of today: data. Not only are digital platforms among the most valuable companies in the world, but they are also; re-shaping entire chains of production value and our consumer habits, redefining public spaces, and impacting on the efforts of the ecological transition. Digital sovereignty is therefore something that needs to be integrated and conceived as a priority for policymaking at European Union level.

And yet, the EU still struggles with outdated instruments and approaches (fines, competition rules not adapted to the speed of the internet and not in line with new consumer habits and wants) and even with unclear definitions of the platforms it wishes to regulate.

The working group will thus focus on how the EU could start governing global digital platforms, finding the right mix between industrial policies, regulations, and anti-trust instruments with the view to maximize the welfare of European citizens and consumers and use disruptive innovations to make European firms more competitive. The Digital Markets Act, Digital Services Act and GDPR will be a crucial part of the discussion. But the conversation should also cover investments: both in new, public European platforms and in start-ups that will create services for those platforms.

### **WG2 - THE DRAMATIC COME BACK OF AN OLD ASPIRATION: A COMMON EUROPEAN FOREIGN AND SECURITY POLICY FOR THE 21<sup>ST</sup> CENTURY**

Russia's illegal war on UKRAINE has dramatically changed perceptions and priorities among European politicians and public: only few months ago NATO was thought to have

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<sup>9</sup> 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.. although here there is still the dutch ASML), self-driving automakers (Tesla Autopilot, Google and Baidu Apollo, Yandex OS), turbo jet engine maker (French Safran 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.

come close to what the French President, Emmanuel Macron called its “brain death”. The unilateral decision of the United States to leave Afghanistan left the allies questioning the nature an alliance born in a completely different context. AUKUS. the US – UK – Australia initiative, seemed to show that the center of geopolitical gravitation is irreversible shifting towards the Asia-Pacific region. Only few months after the invasion of Ukraine has begun, the specters of of the cold war are back and a further collapse of a rule-based international order seems almost inevitable.

History has brought back Europe brutally to *realpolitik* and forced them to define its position on the global chess board of power politics. It's not the Eastern flank, which (should) draw now on Europe's attention. The entire South and East shores of the Mediterranean have been devastated by conflicts of which Europe is till now only indirectly affected, i.e. through migration. Regional power such as Turkey and Russia have become more influential than the EU Calls for substantial engagement and regaining influence, in particular by the United States, were hardly been answered-

The reality of war is back in Europe and as a means on the global chess table. The EU has made some progress both in its strategy (i.e. the strategic compass) and its instruments. While diplomacy and soft power have been employed for a long time with different success, the Union has just started to achieve higher strategic autonomy, i.e in energy and digital policies and to develop a common foreign and security policy.

The discussions and outcomes of this Working Group 3 aim at the following:

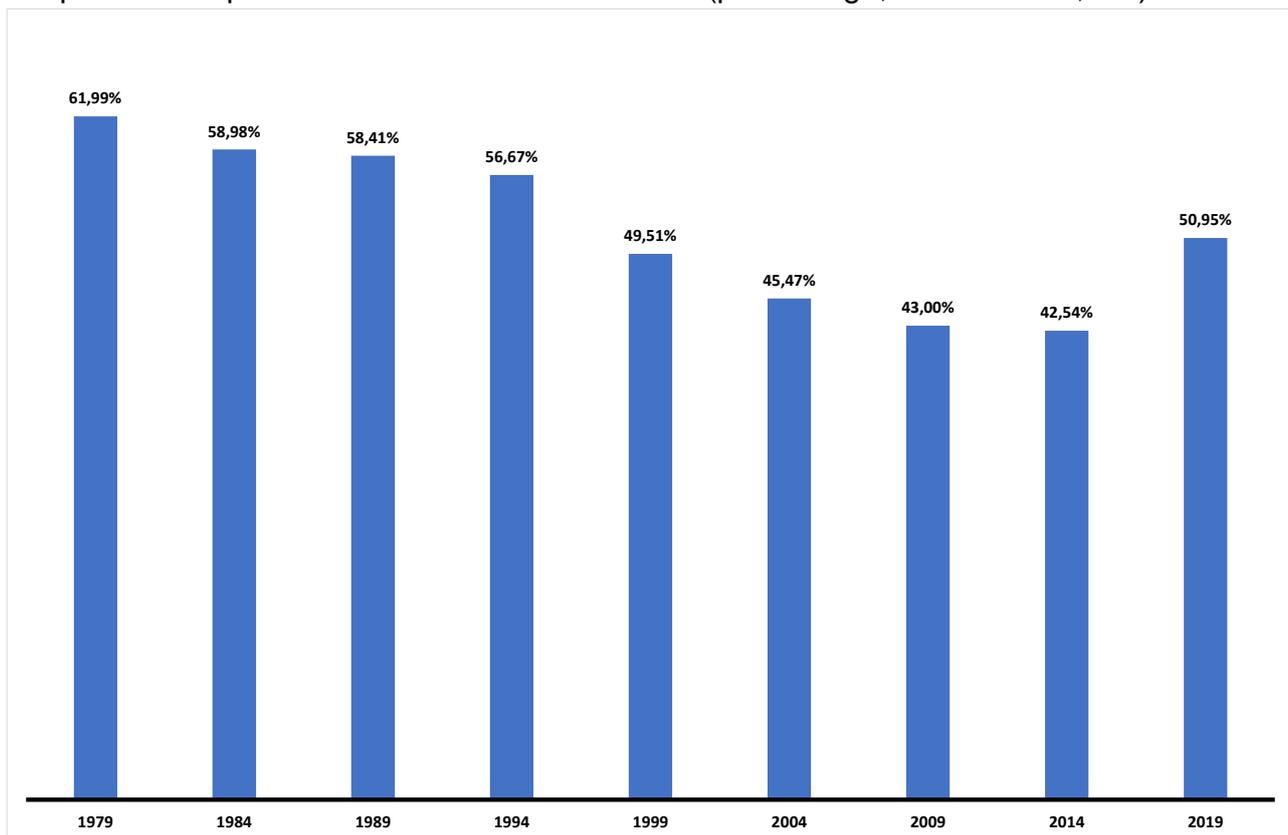
- To achieve a shared idea of the opportunities and limitations of Europe's role in geopolitics in a mid-term perspective, with a special attention to the relations with the United States and the United Kingdom.
- To identify the most pressing weaknesses in the field of foreign and security policy on the European and member states level, both on the institutional and procedural level.
- To develop concrete proposals for institutional and procedural improvements, i.e. on the question of new decision making processes within the given constitutional framework of the EU or even beyond.
- To look in particular into ways of how to enhance cross-sectoral integration of different policy fields, i.e. in energy or cyber or between the European Union and its member states.

## WG 3 - EU AS THE PLACE TO EXPERIMENT THE INNOVATIONS THAT CAN SAVE LIBERAL DEMOCRACY FROM TECHNOLOGICAL OBSOLECENCE

The debate on the European democratic deficit is one of the oldest among the many long-standing discussions which over the last decades have addressed the question of how to institutionally reform the European Union (for example: Huber P.M., 2009).

Within the architecture of the European Union (EU), the European Parliament (EP) is the institution which should guarantee direct accountability towards European citizens (PRIESTLEY, 2010; Hix, 2008). It is also the only case of a supranational assembly elected with universal suffrage (direct election) and its power has progressively increased since the first election in 1979 (Héritier, 2017; Hix, Noury and Roland. 2007.). Yet, this positive evolution contradicts the fact that the interest of European citizens, as measured by the turnout at the polls to elect the EP, has never been high, as shown in Graph 1.

Graph 1 – European Parliament election turnout (percentage, 1979 – 2019, EU)



Source: European Parliament

Indeed, turnout has progressively gone down, with the only exception of the last election in 2019. And yet the 2019 election was also the very one when the share of MEPs from Eurosceptical parties reached its highest (31% of the total) while the share of the two mass European political parties (EPP and ESP) fell for the first time below half of the votes (44%).



Yet, democracy is not only elected assemblies. Europe needs to make a much more systematic use of new deliberative approaches like the Citizen panels that the Conference on the future of Europe (COFE) is experimenting, of citizens' initiatives, of well-designed EU – wide referenda. We also need to institutionalize the use of electronic voting.

The COFE is producing some interesting proposals, the School of Transnational Governance at the EUI is hosting a vibrant debate<sup>10</sup> and a Vision proposal for flexible constituencies will also be part of the inputs to the working group<sup>11</sup>.

The dual health and economic emergency generated by the Covid 19 pandemic and the first EU extraordinary response to it is, indeed, creating an unprecedented “window of opportunity”. On the one hand, there is the possibility to address the long-standing problem of the so-called EU ‘democratic deficit’ which is no longer compatible with a quantum leap in the EU integration process whose urgency has been made clear by the emergency. On the other, the response is the premise for the EU to become the lab addressing the diffused crisis of representative liberal democracy which affects also individual Member States.

Indeed, the issue of the European democratic deficit finds strong parallels with the new social and political dynamics brought about by the Internet. Much like the European Union struggles to create a harmonized framework to ensure equal and fair representation of all EU citizens while aiming at transcending the national geographical dimension; the Internet has impacted the dimension of the spatial organization of the lives of the vast majority of individuals, changing the shape and definition of the territorial communities they belong to.

Spatial organization is changing, becoming de facto more fluid, and transcending national boundaries. Yet, if instruments and electoral processes are not adapted to this changing scenario, the European Union liberal democracy risks becoming technologically obsolete and thus deepening its democratic deficit, consequently engendering distortions in social and economic conditions and inefficiencies and injustices in the way the European society is politically represented in elected assemblies.

The difficulty of democracy at a European level finds a parallel in the Member States. Participation in particular in local elections is declining, as is the Membership in any of the parties and other organizations participating in formal democracy. And there is the authoritarian temptation, the simple demagogue who simply wants to do away with democracy and safeguard an eternal position of power. It is vital for the EU not to limit discourses to the old debates on democracy on the EU level, but to attack the new challenge in Member States and ask the question what the EU can do about democracy in Member States. As a follow up to the Conference on the Future, for example, work could start on an EU Charter on Democracy in Member States, following the same methods of work that eventually led to the EU Charter of Fundamental Rights.

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<sup>10</sup> Like the “Forum on Democratic Participation and the Future of Europe” which Kalypso Nicolaidis and James Mackay – both participants at the VISION – PONTIGNANO conference - have organized.

<sup>11</sup> Flexible Transnational Constituencies, Grillo F. and Nanetti R. (2022) at <https://liberalforum.eu/publication/policy-paper-11-flexible-transnational-electoral-constituencies/>



This working group will therefore be discussing what instruments and strategies can strengthen European democracy, both at the EU level and within Member States, by adapting it to our changing world.

## **WG 4 - FINDING THE RIGHT PATH TOWARDS CARBON NEUTRALITY: A NEW GREEN DEAL IN THE AGE OF ENERGY AND SECURITY INSTABILITY – THE ROLE OF COMPANIES, GOVERNMENTS AND FAMILIES**

“This is Europe’s *man on the moon* moment”.

The words that give the title of the third VISION conference, were also the words with which on the 11<sup>th</sup> December 2019, the President of the Commission, Ursula Von Der Leyen, gave to the “green deal” the aura of the pact which would have defined her Presidency. The European Union’s commitment to reach zero net emissions of CO<sub>2</sub> by 2055 and to reduce them by 55% vis-à-vis their levels in 1990 were a great challenge which would have implied a radical transition in production and consumption models.

Since then everything has changed: the 2020 COVID19 produced the sharpest recession of the EU’s history and the greatest reduction in emissions; the subsequent NEXT GENERATION EU has found in the ecological transformation its most important policy objective; regulations from the European Commission and the European Banking Authorities have been approved so to create a strong incentives for companies to increase the green ratio of their assets; the war in Ukraine has changed again priorities making even more complicated and urgent the need to reach energy autonomy; the price of gas and oil has increased so much to endanger the very implementation of NGEU.

Some of the big questions that this working group will reflect upon are: which is the true cost of the transition towards neutrality? Is there a way to make it politically sustainable? Which is the right balance between ambition and pragmatism? Which environmental policies should be prioritized to achieve more ambitious targets in light of the POST- Ukraine energy instability?

More specifically, orienting financial institutions and companies towards sustainable practices and investments has become a central feature of the EU strategy. Indeed, the former governor of Bank of England Mark Carney (2021) argues that banks and investment funds that pledged to stop all investment in polluting companies by 2050 account for more than 130 trillion dollars. In order to guide the financial world in this transition, Environmental, Social, and Corporate Governance (ESG) indicators were developed.

However, their implementation poses a series of challenges: first, how to avoid greenwashing? Secondly, how to use ESG to encourage a balanced and strategic transition (i.e., not diverting investments from those – especially manufacturing - industries that pollute



the most but that exactly for this reason still need significant investments to become more sustainable).

Thirdly, how to make ESG easy to apply for boards. ESG cover a wide array of broadly defined “economic activities” that are not always defined. Moreover, the need to evaluate the totality of financial institutions’ portfolios represents a huge challenge in terms of scale.

Finally, how are ESG affected by the recent evolution of energy and carbon prices and related stagflation risks? What role can carbon markets and other policy instruments play in driving the economies on a truly sustainable path?

This working group will reflect upon these and other related challenges, in order to identify solutions that will make ESG more viable, of easier application and more effective. Particular attention will be devoted to the most suitable policies that may promote the adoption and diffusion of reliable ESG indicators, to the required investments to achieve climate neutrality in the next decades and to the key instruments that are needed to finance the low carbon economy in both developed and developing countries.

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## **THE META-QUESTION AND THE HOLY GRAIL OF “TREATY CHANGES”: FROM FLEXIBLE GEOMETRIES TO CLUSTERS OF INTEGRATIONS**

The conclusions of the Conference on the Future of Europe (COFE)<sup>12</sup> and the starting point of the Vision conference are about the same meta – reflection on the kind of (European) Union that we see consistent with the radical reforms which each of the above-mentioned working groups and plenary sessions is indicating as an organizational, and indeed structural, requirement.

As a matter of fact, the idea to better respond to and anticipate the many (security, energy, health, financial) crises that have started to define the 21<sup>st</sup> century, requires a reflection on how in Europe we can build a “supra-national” democratic system which even manages to be efficient in its decision-making process. This raises a number of overarching questions for which we cannot afford superficial answers: How large will the future Union be to accommodate a much deeper integration? Is integration a question of different speeds or of different clusters of countries for different policies? Up to what extent the end of the unanimity system can solve the problem? Would it, for instance, be feasible to develop a stable common defense and security policy (leaving aside the sharing of relevant security data) with all 27 Member States? What can be the impact of new enlargements and do we

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<sup>12</sup> In the words used by Emmanuel Macron, as French President and Head of the Member State holding the Presidency of the Council of the EU, in Strasbourg on the 9th of May 2022.

need to define a new method to more quickly scrutinize candidates (as the case of Ukraine seemed to show)? Is the original six-founders club a real core? How can we square the ambitions of the big countries to reshuffle the treaties with the circle of the smaller ones that resist the call for a new convention (whereas they may even be the majority of the Member States)? To what extent can we continue with a policy making method which has been essentially top down? Can we see a role for referenda to give more political legitimacy to future unions? Should we consider to provide Member States the possibility to decide to opt out at a later stage or for qualified majorities to be able to ask specific Member State to leave if fundamental principles are not respected? What did previous constitutional attempts do wrong and what could be the method for pursuing institutional reforms?

For decades the method to shape the European Union has been characterized by at least three elements: a) the Union grew incrementally and out of the consensus of all Member States; the attempt to establish a proper Constitution (the one signed in 2004) failed<sup>13</sup>; b) the approach was substantially top down with limited involvement of the people<sup>14</sup>; c) different kind of unions (the monetary one, the common market, the free circulation area) were allowed to have different sub-sets of the Member States to allow flexibility.

The method was certainly responsible for a great accomplishment: the most advanced integration amongst States which has ever been achieved through peaceful manners. This past success does not, however, seem enough to keep the greatest dream of a generation alive vis-à-vis the unprecedented shocks we are living through: institutions are needed that move at the same speed of the new challenges of the 21<sup>st</sup> century.

The idea that Vision has put forward since the first VISION series of conferences on the future of Europe (in Taormina, October 2020)<sup>15</sup> is that we may need to move from “flexible geometries” to “clusters of integrations”: a Cluster of integration would be with possibly fewer Members but with a clearer allocation of power and responsibility<sup>16</sup>. These fuller integrations

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<sup>13</sup> It is interesting to notice that it was rejected due to two referenda held in two of the six founding member states: France and Netherlands.

<sup>14</sup> Giuliano Amato famously acknowledged in an interview (at EURO-OBSERVER) that the 2007 Lisbon Treaty that he eminently contributed to write “were unreadable so that citizens could not understand them”. And so that they could not call another referendum which could see the treaty rejected again.

<sup>15</sup> See the Vision paper “EUROPE IN A POST-PANDEMIC WORLD REDEFINING DEMOCRACY, DELIVERING RESULTS A PLATFORM FOR A 21ST CENTURY EUROPE TEN IDEAS TO KICK OFF A DEBATE” (September 2020) ([https://www.thinktank.vision/images/2020/10\\_Ideas\\_for\\_Europe\\_.pdf](https://www.thinktank.vision/images/2020/10_Ideas_for_Europe_.pdf))

<sup>16</sup> This implies that, for instance, those States that freely decided to adhere to an area of free *movement*, would accept a single border, a single body of police that patrol it, a single code of law that regulates its crossing, the issuance of work permits for the area, and its asylum rights. More importantly, a free movement area will have as its natural consequence the existence of emergency mechanisms by which if a pandemic erupts there is a central authority with the power to close internal borders unless common rules are accepted. Likewise, those States that freely decided to adhere to an area of free *trade*, would also accept that tax rates on corporations are similar across the entire area, so to avoid competition among states that leads to races to the bottom. If the people establish that only the European Union deals with climate change, then it should be only the EU to have a seat at the negotiations and to represent the interest of its Member States; and it should be the European Commission to fine enterprises that pollute over a quota or to award cities that keep emissions low.



would also need to be freely and wholly accepted by Member States and their citizens (maybe through proper referenda), so that they transparently delegate their sovereignty on specific matters to a European authority<sup>17</sup> (this would help avoid ambiguous “shared management”<sup>18</sup>). They would also envisage procedures to make possible for Members to depart (or to be asked to do so) through diverse mechanisms according to the nature of the delegated policy (it would, for instance, probably be more costly to leave a common defence framework).

Vision idea is, of course, just a contribution to the debate.

Institutions – as normatively conceived by German philosophers – define the structure of a society, shape social behaviours, and frame economic transactions. As such, they are “inflexible” by definition. And yet, such inflexibility has become the root of their failure, particularly in a century constantly reshaped by technological progress and innovation.

Still, our complex and contemporary societies cannot afford institutions to fade away; rather, they are in need for more capability to govern such complexity. The good governance of complex, contemporary societies requires more “flexible” institutions, even though the statement may sound like an oxymoron.

The anomaly of the European project can, in fact, become its strength. Its flexibility may be what will make of the EU the place where to experiment the innovations that liberal democracy needs to recover legitimacy and efficiency. The difficult equation that the 21<sup>st</sup> century poses to the Union is how to find an equilibrium between flexibility and efficiency. This will need much more passionate problem solving to give substance to the idea to reform the Union and its treaties.

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<sup>17</sup> Similarly, to what happens with the *European Stability Mechanism*.

<sup>18</sup> As in cohesion policies whose declining efficiency may be due to such lack of precise political responsibility.