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The Relaunch of Europe

Mapping Member States' Reform Interests:
Key Findings

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Institut für Europäische Politik (Institute for European Politics, IEP) is one of the leading foreign and European policy research centres in the Federal Republic of Germany dedicated to the study of European integration.

Further information on the project can be found here:

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KEY FINDINGS

The »RelaunchEU« project maps the scope for reforms in the EU-27. Experts from all member states except the United Kingdom have delivered country issues, in which they evaluate whether national governments and relevant progressive parties¹ support 12 concrete reform proposals in the policy areas of Social Union, Economic and Monetary Union (EMU), Defence Union and asylum and migration as well as the general question of flexible integration. The country issues and the comparative analysis, including the maps, can be downloaded on the website: www.relaunch-europe.eu.

The study identified four flagship projects that are widely supported by both progressive parties and national governments in the EU-27:

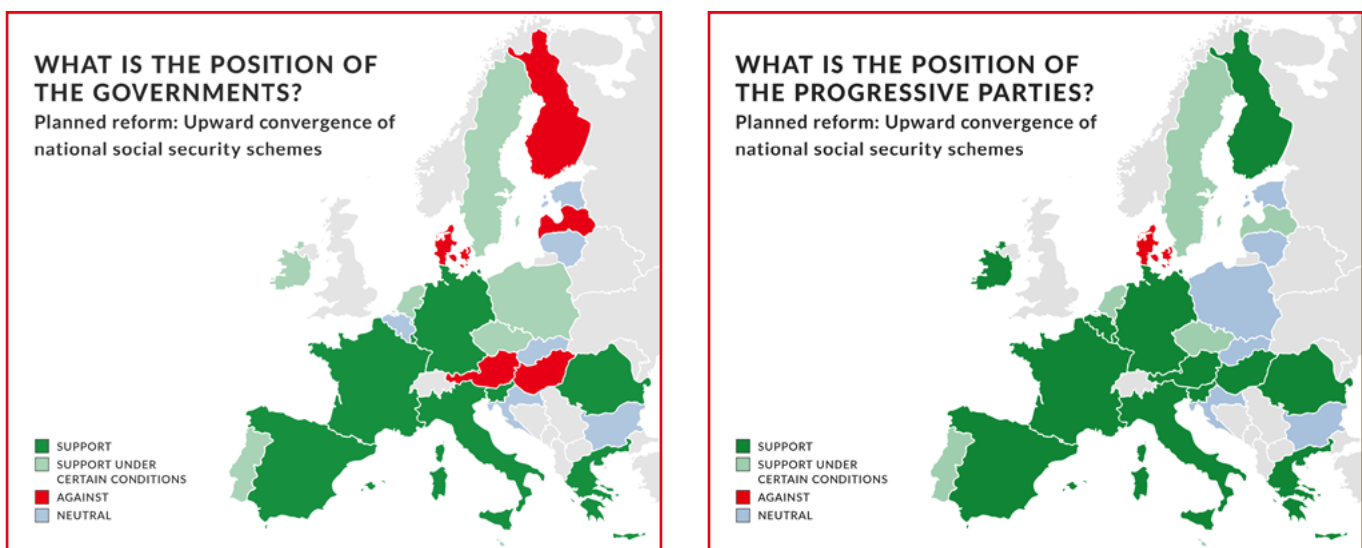
- Upward convergence of national social security schemes;
- Fighting tax fraud and tax evasion on a European level;
- Extending European Union (EU) military planning capabilities;

- Extending competences of the European Border and Coast Guard Agency (EBCG).

These four projects have the potential to become key drivers for further reforms of the EU as they bridge dividing lines between member states.

The project of upward convergence of national social security schemes aims at providing EU-wide protection against social risks and ensuring a decent standard of living for EU citizens. Models under discussion range from more European coordination in the field of national social security schemes to the adoption of minimum social standards across the EU. There are influential governments backing this project that could make it a success. Since support comes from the North, the East and the South of Europe, this reform project could overcome the North-South and East-West divides that have manifested themselves in other policy areas.

Figure 1: Support for Upward Convergence of National Social Security Schemes

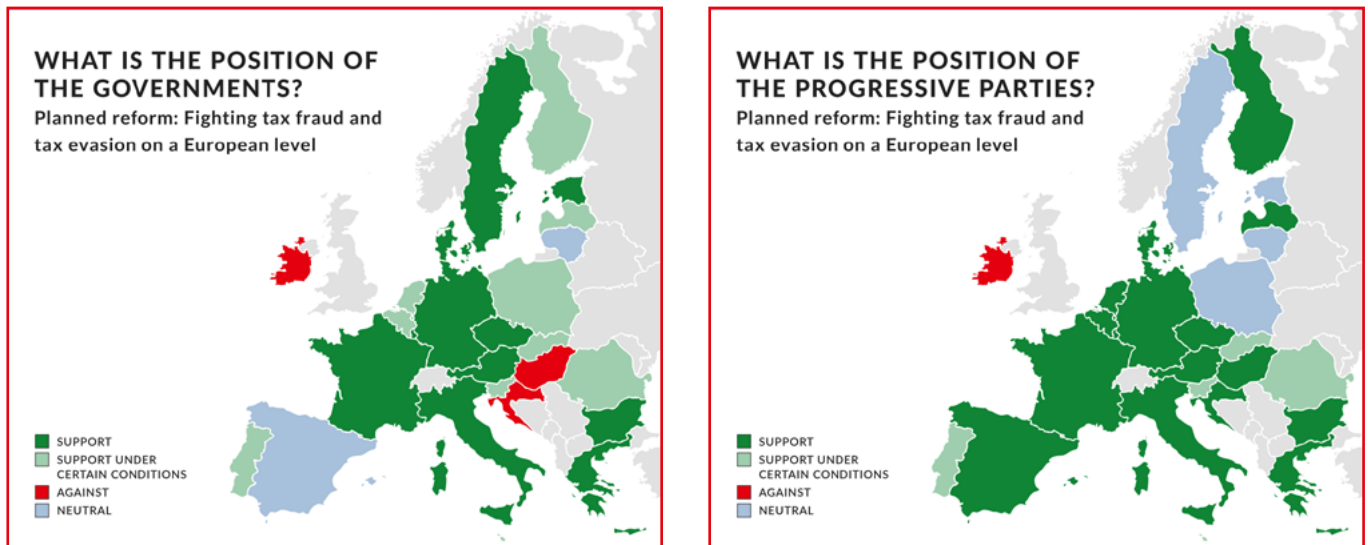


¹ Parties that are members of the Party of European Socialists or the Group of the Progressive Alliance of Socialists & Democrats in the European Parliament, which received a minimum share of five percent of the votes in the previous European or national elections. If a party fulfills this criterion, but is not a relevant actor in the national public debate anymore, it was deleted from the sample based on the judgement of the projects' country expert.

Fighting tax fraud and tax evasion on a European level is a second reform project, which is supported by countries that are proponents of both a fiscal union and a stability union. Despite reservations from some smaller member states, there is a critical mass supporting it. The reform aims at a fair allocation of tax burdens. Most proposals in this area focus on a reform of the system of corporate taxation in Europe

and could be realised through enhanced cooperation, e. g. a Common Consolidated Corporate Tax Base, a »web tax« for digital giants or further initiatives to increase transparency, such as a comprehensive framework of public country-by-country reporting. Given the high salience of the topic to the public and regular disclosure of tax avoidance schemes, there is currently a window of opportunity for far-reaching reforms.

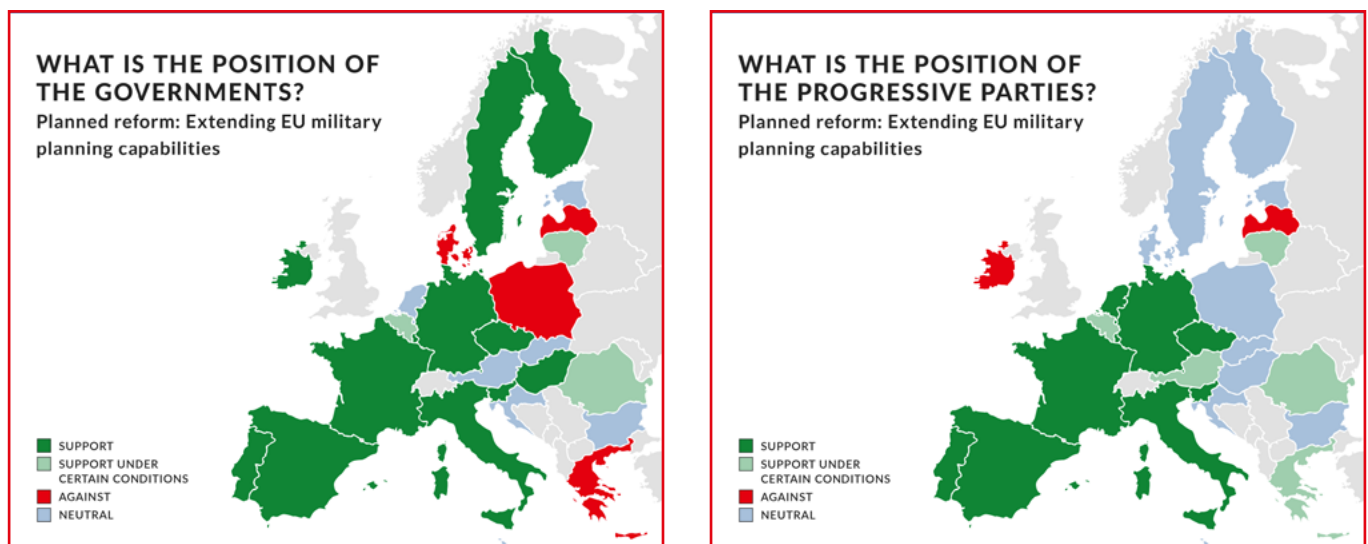
Figure 2: Support for Fighting Tax Fraud and Tax Evasion on a European Level



Extending EU military planning capabilities by establishing EU headquarters for executive military missions and operations based on the existing Military Planning and Conduct Capability (MPCC) would contribute to a better allocation of resources and more efficient burden sharing. However, it would not result in a transfer of competences. Overall control would remain under national direction. The proposal is

generally supported by a large number of EU member states, provided that NATO's essential role as key security provider in Europe remains unaffected. Supporters for the proposal come from both Eastern and Western Europe and include founding as well as new member states, pro-European and more Eurosceptic ones, regardless of their position on the role of NATO in European defence and EU policy towards Russia.

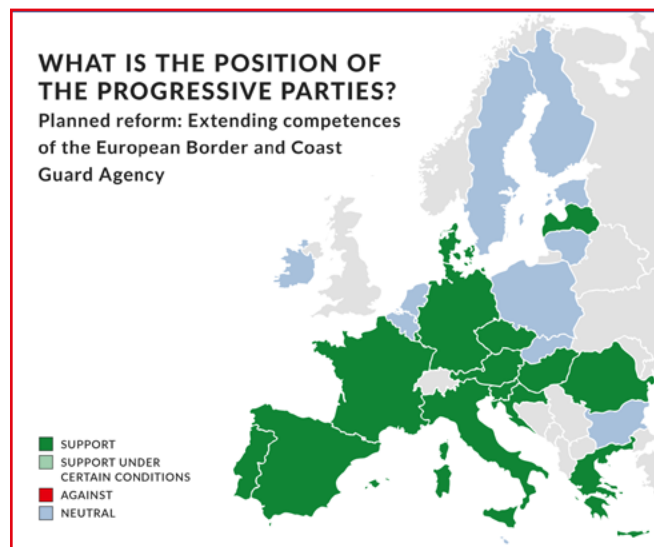
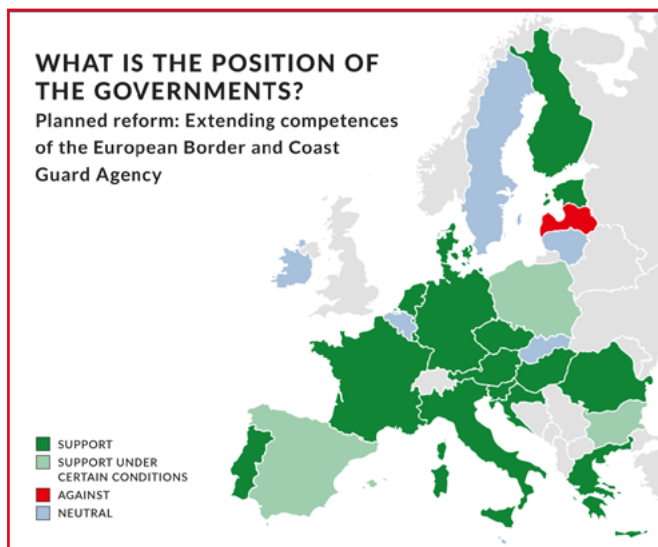
Figure 3: Support for Extending EU Military Planning Capabilities



In 2016, the regulation on the European Border and Coast Guard Agency (EBCG) strengthened the EU's external border control. However, further reforms aiming at the extension of the EBCG's competences are being discussed. They concern the agency's right to operate in a member state without its consent, the scope of its functions, the number and status of its personnel, as well as its democratic accountability and transparency. Despite national sovereignty concerns from several member states, the extension of the

EBCG's competences with regard to border control and sea rescue finds broad political approval across the EU. The majority of member states' governments and progressive parties from Eastern and Western Europe support a further integration of the Schengen area's external border control. This reform project has the potential to overcome the deadlock in reforming the Common European Asylum System as both advocates and strong opponents of the quota system for relocating refugees in the EU support the proposal.

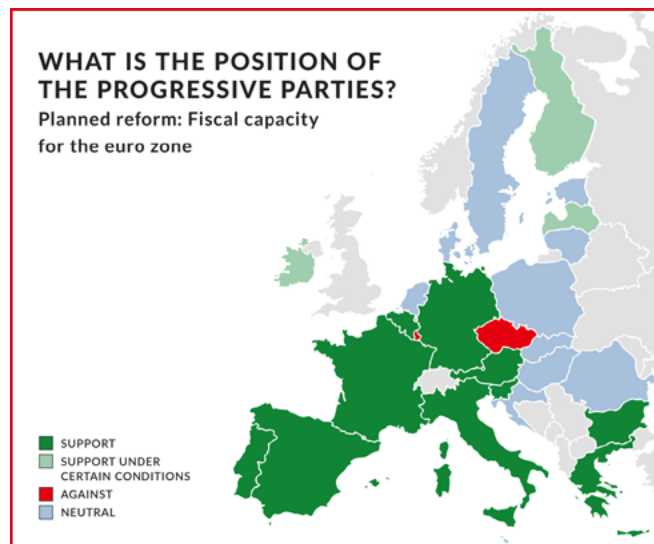
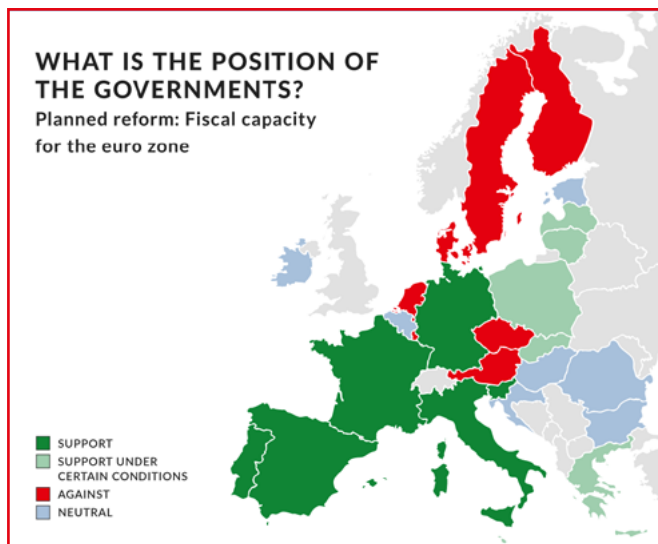
Figure 4: Support for the Extension of the EBCG's Competences



While there is wide agreement on the usefulness of these four flagship projects that transcends party lines, there is clear disagreement concerning the idea of a fiscal capacity for the euro zone. While most governments are hesitant to support it, fearing that it might constitute a first step towards permanent fiscal transfers, an overwhelming majority of progressive parties see a clear need for some form of

public risk sharing to stabilise the EMU. Therefore, the project of introducing a fiscal capacity might become a progressive flagship project for the social democratic parties and a means for them to delineate themselves clearly from conservative ideas to reform the EMU. Yet, any project for a future fiscal capacity needs to take concerns about fiscal autonomy, permanent transfers and moral hazard seriously.

Figure 5: Support for a Fiscal Capacity for the Euro Zone



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