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**EESC Consultation on Future of Europe**

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**Speaking Note**

**1. Confidence in the EU is being eroded steadily because of EU failures in two key areas**

**1.1. Failure to address the ongoing vulnerability of many EU citizens.**

**1.2. Failure of the European Commission to protect small countries against its larger, stronger members.**

**Re 1.1:** More and more the EU has become an economic project driven by an elite which has failed to address the facts that, for example:

- 119 million people are experiencing **poverty or social exclusion** - 23.7% of the total population;
- 86 million are in **income poverty** – 17.3% of the population;
- Growing numbers in employment BUT
  - 21 million **unemployed** – 8.2%;
  - 11 million **long-term unemployed**
  - **Working poor** numbers rising (9.6%)
  - **Youth unemployment** very high (4.6m – 18.6%) – just one of the problems experienced by young people across the EU who were metaphorically “thrown under a bus” by EU policy makers after the crash of 2008.
- Related issues in health, education, taxation etc.

If we reflect on these statistics, these realities, we won't be too surprised that so many people in Europe see the EU as a faceless machine, out of the control of its citizens, which keeps dismantling the protective fences that used to protect the vulnerable, that keeps disciplining the nation states when they try to protect their citizens. It should not be a surprise that many people see European rulers as a clique whose chief preoccupation is to preserve for themselves, and their likes, the many privileges they enjoy.

A few weeks ago, an Expert Group Meeting at the United Nations in New York examining “Strategies for Eradicating Poverty to Achieve Sustainable Development for All” challenged

the status quo. It included the following paragraph in its conclusions and recommendations:

**“The social welfare systems in developed countries are no longer fit for purpose. There should be an adjustment of the paradigm** including promotion, and openness to study new ideas around a new social contract that is more appropriate for the 21st century. This may entail moving towards a universal basic income system, supporting a living wage rather than a minimum wage, recognizing all work (not just paid employment) as meaningful, and ensuring that all government decisions are subjected to a poverty-proofing process. While the centrality of employment and decent jobs to eradicate poverty is well recognized, employment growth has not been sufficient to absorb the growing labour force, particularly in those countries and regions with large youth populations. Further, there has been a divergence between productivity and wages growth, as well as growing employment insecurity and casualization in all countries.”

I agree with this analysis and the recommendations it contains. The EU consistently ignores these issues and the results are obvious. **A reform of the EU requires that these issues are addressed. None of the five options provided in the EU White Paper on the future of Europe fits these requirements.**

**An alternative option is required that will protect the vulnerable and move towards a future that effectively addresses poverty, unemployment, inequality and exclusion.**

The EU needs to become, and be seen to become, a *caring* Union. That won't be achieved by multiplying directives and regulations that are seen as simply interfering with the autonomy of national governments and parliaments. I suggest that what it needs is a number of initiatives that would clearly show its caring dimension. One such initiative would be to set up a scheme of *transnational and interpersonal redistribution*. Such a *Transfer Union* is needed for four reasons<sup>1</sup>:

- To provide *a macroeconomic stabilizer* essential to the survival of the euro.
- To provide *a demographic stabiliser* essential to the political survival of Schengen;
- To provide *a firm common floor* essential to protect the generosity and diversity of our national welfare states against tax and social competition;
- To *make it crystal clear* to the vulnerable that the EU cares for them too and not just for the wealthy and powerful.

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<sup>1</sup> Cf. Philippe van Parijs, Social Europe, 24 May, 2017, for more detail.

Radical? Yes. But this proposal is no more radical than what Bismarck did when, under the pressure of violent protests, he created the world's first national social security scheme. A similar radical proposal is required today.

**Re 1. 2: An alternative option for the future of the EU should also ensure that the European Commission protects small countries against their larger, stronger members.**

This was the way it used to be back in the day when Ireland joined the EU. But that situation has been reversed over the years. It needs to be reversed again, back to its original form.

2. Confidence in the EU will continue to be eroded unless the guiding vision of the future of Europe goes well beyond President Juncker's five options. A new Option is required which recognises that the social dimension is of equal importance to the economic in the development of the EU. In fact it needs to recognise that economic sustainability, social sustainability and environmental sustainability are all intertwined and should be at the heart of any future vision of the EU. The 17 Sustainable Development Goals agreed by the UN and signed off by Ireland provide a good guide to identifying the priorities and processes such an alternative should take.

**3. Developments in the Brexit process are very relevant in this context. Government, while doing a good job on a range of fronts, is making at least one major mistake: it is not engaging civil society in a genuine dialogue about how the 'hits' that Ireland will experience as a result of Brexit are to be absorbed and addressed in the years ahead.**

Before the Brexit referendum was passed in Britain, Ireland was already facing major challenges to its infrastructure (e.g. social housing, public transport, rural broadband) and services (e.g. healthcare, education, pensions) as well as facing difficult environmental targets that must be met. As these issues are inter-related, it is essential that they be addressed effectively.

If nobody is to be left behind in the period ahead, Brexit must be recognised as a challenge for every Irish person, for all sectors of society and not just the Government. Everyone recognises that in the past there were key moments that encapsulated major transition points. The decision to focus on Foreign Direct Investment in the late 1950s was such a moment. So too was the decision to join the Single Market in 1973. Such transitions required massive adaptation and were successfully transitioned. Brexit presents a similar moment with similar questions about how to match up the risks and the opportunities that arise.

The Programme for a Partnership Government (page 12) states:

There are policy challenges where long-term political planning and thinking are as important as a structured approach to delivery. They require the development of a broad-based consensus at political and public level before a settled action plan can be developed. (my emphasis)

I agree with Government on the need to build a broad-based national consensus on strategic national issues. I believe that the challenges created by Brexit increase the urgency of securing such a broad-based approach and of mobilising Irish society to implement it. Addressing the challenges presented by Brexit offers a moment which could enable such a consensus to emerge.

It is not enough for the Government to undertake negotiations with our European partners. Nor is it sufficient for state agencies to develop policies to respond to the emerging situation. **What is required is a national mobilisation of effort to ensure that the management of the Brexit challenge succeeds in advancing the well-being of all our people and protecting those who are most vulnerable to its negative consequences.** This requires active engagement in analysis, deliberation and adaptation by all sectors of our society. This requires engagement by representatives of business, employees, farmers, the community and voluntary sector and the environmental network backed up by extensive programmes of public information and education.

I believe Government should lead this process, and I believe the institutions of civil society would engage constructively and creatively in formulating an effective response to one of the greatest challenges our society has faced since independence.

**The future of Ireland and the future of the EU is a choice, not a chance. It is time to make the correct choices to ensure we have a sustainable and just future.**