



**DIE FAMILIEN
UNTERNEHMER**

**A STABLE EUROPE:
HOW THE EU MUST DEVELOP NOW!**

A concept by
DIE FAMILIENUNTERNEHMER

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In short

DIE FAMILIENUNTERNEHMER stand for a European Union which, as a stable alliance of sovereign Member States, provides the best answers to the global challenges of the 21st century.

To do this, the EU must:

- create the capacity to act in their fields of competence.
- maintain the unity of risk and liability in financial matters.
- accept integration as an open process in which some policy areas are better handled at European level and others better at national level.
- act in a way that citizens understand.
- be prepared to evaluate, realign and limit its own structures and institutions.
- to push ahead with its own reorganization in every respect before discussing expansion.

Specifically, the EU must:

- keep the single market open and, in particular, promote it for services.
- implement a free trade policy transparently and successfully.
- create common structures for security and defense.
- develop common approaches for future topics such as digitization and energy.
- promote convergence in Europe through education initiatives.
- shape a financial and monetary union based on market participation and not on transfer mechanisms.
- not create new European funds until existing structures such as those in the EU budget have been completely overhauled.
- focus on financing necessary core topics with much greater spending discipline.
- bindingly link the European Parliament with national parliaments.
- fill the principle of subsidiarity with life and not get involved in a number of topics.

- explain to citizens the added value of European action and responsibilities.
- avoid a general commitment to »more Europe« or »less Europe«. The EU must focus on its current competences and organize like-minded Member States along individual themes to move Europe forward.
- make it clear that the rule of law is an indispensable prerequisite both for the Member States and for the EU's own ability to act.

1. Introduction

DIE FAMILIENUNTERNEHMER firmly believe in Europe. In many areas, the free association of like-minded sovereign European states has developed into a successful project. Europe looks back on almost seventy-five years of peace and growing prosperity. In the face of global challenges and threats, a competitive and effective European Union is more necessary than ever.

If the European Union is to emerge stronger from the discussion process, which unfortunately has only been conducted seriously since the Brexit decision, it is crucial that the reform projects go in the right direction. Despite an economic boom, the European Union is leading the discussion on its reform from a position of weakness. The withdrawal of Great Britain, and thus of the second largest economy, could very probably have been avoided if the debate had been held earlier and taken more seriously by all those responsible. Furthermore, the migration of refugees to Europe has opened up deep rifts in the international community, as well as the debt policy of some Member States, which can quickly trigger a new euro crisis.

The current EU reform debate is strongly focused on the forthcoming European Parliament elections in May 2019 and the associated replacement of the European Commission. There is a wealth of reform proposals in the pipeline and some of these have the potential to move the EU forward. Other drafts, on the downside, are strong enough to threaten the existence of liberal, democratic and market-based aspects of the European project.

The discussion about European integration is dominated by a general classification of »more or less Europe«. On the one hand, there are the supporters of »more Europe«, who want a far-reaching shift of competences towards the EU that affects almost all areas of society. The many proposals put forward by this group deal with the communitarisation of fiscal sovereignty, budgetary rights, national social security systems and employment law.

In this sense, »more Europe« would stand for a strongly centrally-organized Europe. This Europe would be far from the preferences of its citizens and would have a structural democratic deficit, even if the European Parliament were completely changed.

On the other hand, there is a real threat to Europe from voices favoring a much stronger national context. An attitude of isolation that ignores the challenges of the 21st century and makes false promises to the people of Europe about complex developments.

We family entrepreneurs are convinced that both the one-size fits-all approach of a centralized Europe and the retreat towards nationalism would seriously damage the European project.

DIE FAMILIENUNTERNEHMER are therefore taking a stand on the most important ideas and presenting their own concept. It indicates the changes Germany needs to campaign for at European level and it shows the necessity for Germany to find allies.

This text is part of a series of publications by DIE FAMILIENUNTERNEHMER that have repeatedly dealt with the functional and institutional composition of Europe over the past decades. In the main, these texts were prepared by the association's regulatory commission, whose members are also family entrepreneurs, avowed promoters of ordoliberalism and sincere supporters of the European idea.

DIE FAMILIENUNTERNEHMER believe that any action initiated by the EU must create either more prosperity or more peace. In addition, it is of central importance for a reform of the EU that the unity of risk and liability lived by family entrepreneurs must also apply in Europe. Passing on fiscal responsibility for political decisions to other Member States or the European Union as a whole would seriously damage the modernization of the EU. Germany as a cosmopolitan, export-oriented country benefits enormously from the European Union. As drivers of innovation, family entrepreneurs are a key element of this development. European and worldwide

production and value chains are opening up more and more new opportunities for small and medium-sized family businesses in Germany.

DIE FAMILIENUNTERNEHMER called for a reform of the EU long before Britain's decision to leave the EU. We have always rejected the automatism of a comprehensive shift of competences that has been observed for years. EU Member States and the EU itself should focus on issues where added value is created through a common approach by as many Member States as possible.

In the view of DIE FAMILIENUNTERNEHMER, the policy areas which are suitable for a further shift of competences are derived both from the European experience gained over past decades and from ordoliberal principles. Regardless of the content, it is essential that the added value of joint European initiatives is explained and thus made clear to the citizens of Europe. Currently the structures of the EU are designed in such a way that the majority of citizens are unable to understand them. Because the EU does too little about this, it is rightly perceived as an elite project divorced from reality. A reformed Union must be based on the consensus that, until it is amended, the agreements laid down in the Treaties will remain fully valid. The infringements of rules and laws during the past debt and refugee crisis have caused serious damage to the EU as a legal community and increased skepticism about the EU.

Only an EU that focuses on its fields of action and is structured on market-based principles will be strong enough to shape global developments in areas such as trade, security or environmental protection.

2. Single market: strengthen strengths!

The European Union, which DIE FAMILIENUNTERNEHMER consider worth preserving, must first of all concentrate on its strengths and be prepared for the upcoming challenges facing the community of 27 Member States.

The establishment of the single market is undoubtedly one of the EU's major achievements. Participation in the single market is one of the main reasons for sustainable growth in Europe. Therefore, the control and effective completion of the single market - but not its overloading - remains a core task at central European level. In particular, strengthening the single market with regard to services is an area in which the EU must break up national structures in favor of more and fair competition. The closure of labor markets in high-wage countries due to the recent tightening of the EU Posted Workers Directive undermines the achievements of the single market and denies many European workers greater prosperity.

3. The EU as a trading power: developing the capacity to act!

The global trend towards more protectionism is worrying and viewed by DIE FAMILIENUNTERNEHMER as an enormous threat. Trade policy is an area in which the EU has far-reaching competences but, in the end, it has proven to be incapable of acting. During the TTIP negotiations, which ultimately failed, the EU was unable to negotiate successfully for the Member States, neither formally nor in terms of content. After a rarely constructive discussion process and some fundamental ECJ rulings on trade issues, the EU now ought to be the clear voice of a joint European trading area. This also applies to investment conditions in important markets such as China. Despite rays of hope such as the EU-Japan Agreement the reality is that the EU - also vis-à-vis the Member States - is lacking in assertiveness and needs to make much more effort to achieve a successful common trade policy. The EU must develop the power to shape trade issues that corresponds to its economic strength.

4. The ability to protect and defend freedom!

The global threat of war and terrorism has increased. Security is a basic prerequisite for a free society and also a decisive locational factor for a prospering economy. In view of the increasing dangers, hardly any European country is still in a position to adequately protect and defend Europe's values of freedom on its own. Beyond the areas laid down in the EU Treaties, there is an increasing need for cooperation on internal security or military tasks throughout Europe.

The total failure of the EU to control and secure its external borders during the migration movement of recent years demonstrates just how far it is lagging behind in the areas assigned to it.

The EU has also revealed that it has not yet fulfilled the tasks attributed to it due to the completely inadequate protection of the Schengen area from internal and external dangers. The merger of some EU countries to form the Schengen area and the associated freedom of travel illustrates the practical added value of Europe to people more clearly than almost any other project. It is therefore all the more damaging that the EU cannot deliver what it promises. Security policy is clearly an area in which the EU and the Member States cannot muster enough commitment in the sense of „more Europe“. The EU's potential field of action is broad, and time is pressing: starting with a functioning cooperation of the national security authorities, an effective Frontex border police, joint defense procurement, up to joint army structures in close coordination with NATO.

5. Digitization and energy: promoting future issues

The EU is aware that digitization is crucial to the development of the Community. The corresponding expansion of the single market to include digital aspects was therefore an important step. Formulating common goals for the digital infrastructure and promoting them is also a step in the right direction. Nevertheless, the planned digital tax, for example, which deviates from the proven taxation principle of the permanent establishment, shows that the EU often does not have adequate solutions.

Particularly in times when economic development is good, the EU seems to lose sight of the fact that Europe as a production location is in global competition and that bad rules can have a direct impact on the competitiveness of countries and companies.

DIE FAMILIENUNTERNEHMER for example cannot accept that the politically-caused rise in energy costs is making production in Germany and Europe increasingly unattractive. Particularly because a nationally-intended energy turnaround clearly has no positive effects on CO2 and is incompatible with a European energy strategy. We are committed to the sustainable production of affordable energy that is generated as ecologically as possible. For years, we have therefore been arguing for an effective form of European emissions certificate trading, while at the same time for the abolition of all counterproductive national subsystems. In view of the renewable energy sources which can be expanded throughout Europe, it is crucial that corresponding cross-border energy networks are created. The most ecological energy supply possible for Europe can only succeed if, for example, wind energy can be fed from the coastal regions to industrial areas. Here the EU can and must bring many more interested Member States to take a coordinated approach and boost the development of energy networks.

6. Financial and monetary union: Maintain the unity of risk and liability!

In addition to the aforementioned topics, demands to restructure the EU financial architecture dominate the current reform discussion. The individual proposals relate to both the structure of economic and monetary union. Many ideas are essentially aimed at overcoming national financial and economic policies, while at the same time redistributing risks and tax revenues in Europe. An approach that will existentially weaken and ultimately destroy the European Union and its Member States because it will permanently break up fiscal responsibility for political action at national level. In the following, some suggestions are discussed, which show that instead of breaking up the unity of risk and liability, market-based approaches are needed to achieve the goal of a permanently stable European economic and monetary union. DIE FAMILIENUNTERNEHMER also have the burden on taxpayers in stability-oriented EU countries in mind. However, the focus is on ordoliberal principles and the experience gained over generations from everyday business life. In the long term, economic laws on topics such as over-indebtedness or spending discipline cannot be overridden by political measures.

6.1 No tax sovereignty for the EU

DIE FAMILIENUNTERNEHMER are convinced that in terms of developments regarding expenditure a Europe of subsidiarity is the best way to attain an effective and thus strong EU. The level that is best able to perform a task under consideration of the preferences of affected citizens should have the necessary competencies for this. The financial relationship between the various levels must be shaped according to the principle of »no taxation without representation«. It must be possible for citizens to draw conclusions as to who is politically responsible, particularly with

regard to the generation of state revenues through taxation and the distribution of funds on the expenditure side. The introduction of European fiscal sovereignty would go severely against this. It is expected that a further tax would be cumulatively applied to existing national taxes, which would permanently increase the tax burden in Europe and reduce competitiveness. The discussed introduction of a European Finance Minister, for example by upgrading an EU Commissioner, would not improve the situation. On the contrary, it can be assumed that a finance minister for the EU or even the euro zone would derive his political shaping power solely from a growing EU tax due to an EU budget that can only be changed to a minimal extent for a financing period of seven years.

Furthermore, it cannot be ruled out that the EU financial tax and a finance minister will drive forward a slow-moving intervention in national budget sovereignty. An unconstitutional process in Germany.

In principle, DIE FAMILIENUNTERNEHMER are committed to tax competition within Europe. It is not only an effective means of combating expansive state tax cartels, but also opens up attractive investment opportunities for EU member states that are catching up.

Tax fraud and unfair profit shifting must be countered through consolidated income taxation approaches and restrictive market access rules.

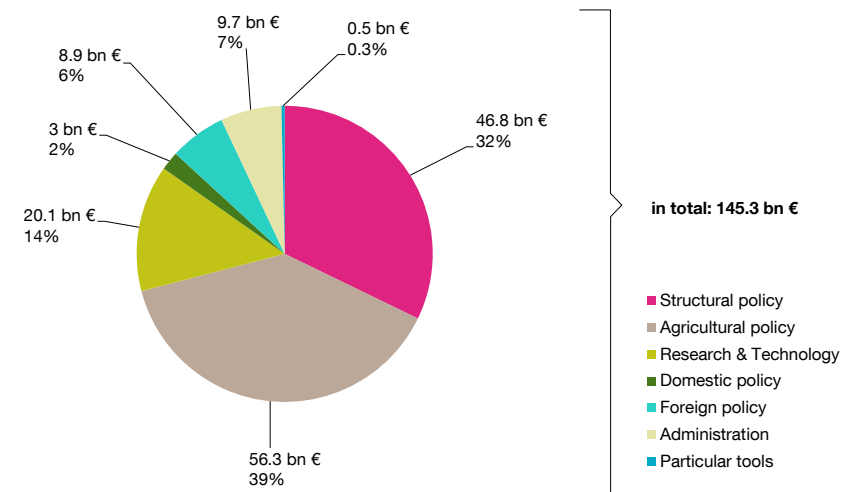
6.2 EU budget: clear up before expanding!

The debate on the form the EU budget should take is being driven forward by two events. On the one hand, Great Britain is leaving the circle of payers and, on the other, the structure and size of the budget must be defined in the next Multiannual Financial Framework (MFF) for the years 2021-2027. The EU budget is fed by money provided by the Member States in proportion to their economic strength. As an expression of solidarity, in these systems wide shoulders carry heavy loads and narrow shoulders carry small to non-existent loads. On the contrary, many Member States receive

net payments from the various European sources of money which are not clearly organized by the European Commission. In theory, these transfers are in line with the EU's objective of promoting the harmonization of living conditions within Europe. In practice, however, a European redistribution system has developed that runs counter to this logic. In particular, the returns to the Member States are not based on a European strategy in terms of content (e.g. for digitization), but on the net contributor positions of the countries. Consequently, structural aid, for example, is not about bringing the structurally most backward regions in Europe forward through meaningful projects. Rather, the structural policy is designed so that each country and region is eligible. As a result, many subsidies are spent exclusively via this European detour. However, fewer resources could be allocated more efficiently to the countries and regions, or possibly even be omitted altogether.

Therefore, the benefits of the European use of resources in relation to the whole budget must be assessed much more critically before accepting the need for additional resources. A structural development policy that does not focus on the neediest regions of Europe is a waste of resources. It is also forbidden to increase the EU budget in its current structure because about forty percent of it is still spent on agricultural subsidies. In doing so, the EU is making it clear that it intends to maintain old structures and finance a backward-looking policy until at least 2027. The EU must focus on forward-looking and job-creating issues in the EU budget and withstand political headwinds in order to overcome old structures.

Outdated structures in the EU budget
Spending areas in the 2018 EU budget



Source: European Commission, May 2018

DIE FAMILIENUNTERNEHMER are firmly convinced that competitive participation in the EU with the four key freedoms is the most successful way to achieve convergence. In the best-case scenario, the EU as a source of revenue and funding institution can only ever advance this process in a complementary manner. Any further change of the EU towards a capital distribution machine would be a departure from the European market economy, which is the undisputed basis of the EU's success to date.

6.3 The road to a solid banking union must be long

Since the financial crisis, the EU has learned its lesson by placing the supervision of banks operating in Europe at European level. The European supervisory board EBA (European Banking Authority) and the combination

of European and national supervisory authorities to form the Single Supervisory Mechanism (SSM) is basically correct. However, its establishment at the ECB creates a permanent conflict of interest between the central bank and the supervisory authority that must urgently be eliminated. In addition to the supervisory structures, the Single Resolution Mechanism (SRM) was installed to theoretically enable an ailing bank to be dealt with. Based on the ownership structure of a bank, when restructuring or closing a bank, creditors must first be involved in the debt-restructuring process by means of a bail-in (conversion of receivables into ownership shares). If this is not enough, restructuring should be carried out under state supervision before institutional and financial involvement at European level takes place.

Unfortunately, this mechanism is not only disregarded in reality, but also explicitly endorsed politically by the EU. This is demonstrated by the case of the Italian bank Monte dei Paschi di Siena, which had a capital requirement of EUR 9 billion in December 2016. This was raised exclusively by the Italian state with the approval of the EU subsidy commissioner without the debt being restructured.

The EU has no experience or a reputation when it comes to applying its banking rules in an emergency. There is therefore no justification in overstretching the European structures at the moment, which are at best in a process of becoming established. Any proposal to install the EU as a »lender of last resort« for European banks, or to make it responsible for a European deposit guarantee, does not understand the facts.

European banks have some 950 billion euros in non-performing loans in their books, the origins of which are due to incorrect management decisions and lax national regulations. The resulting stability of individual banks therefore varies greatly. The discussion about a joint deposit guarantee scheme cannot therefore be started from scratch. On the contrary, some countries such as Germany have had a tried-and-tested guarantee system fed by funds for savings deposits for more than forty years. Any premature communitization of a deposit guarantee would pass the risks of individual banks on to the general public and counteract any attempt to consolidate

the European banking landscape. Under these conditions, the development of a European deposit guarantee scheme should in any case be rejected.

While the number of bad loans is supposedly declining, the interdependence of states and banks has increased since 2009. This contradicts the lesson of the financial crisis, in which the rescue of euro states was politically declared as being without alternatives due to their networking with financial institutions. Since then, the national banks and credit institutions of structurally weak countries have bought more government bonds from their countries.

DIE FAMILIENUNTERNEHMER therefore plead for making the purchase of sovereign debt instruments unattractive for banks and to equip them with a capital backing obligation. A system that urgently needs to be phased in.

6.4 A European Monetary Fund – what for?

The creation of a European Monetary Fund (EMF) is being discussed, especially for members of the euro zone. Apart from the fact that this EMF bears a certain prestige in its name in reference to the International Monetary Fund, it is unclear what purpose an EMF should have. The proposals diverge, but at the core they are always concerned with the use of the funds previously managed by the inter-governmental Euro Stability Mechanism ESM. While ESM funds are only available for countries in need of assistance, some plans call for the EMF to be accessible to countries in any financial and economic situation. The background of these ideas is the desire to move away from the previous minimum consensus of »money in exchange for conditions«. It should be noted in this respect that there was already no strict implementation of the requirements under the current rules.

For example, in Greece - one of the member countries of the ESM program – the full conditions have ever actually been implemented. Strangely, as a result of public and political discourse, reforms with the concept of an

austerity policy have been dismissed as harmful and the refusal to reform not addressed. Against this background, an increase in the use of jointly-financed funds should be rejected. When it was introduced, the national parliamentary control anchored in the ESM was a minimum guarantee that the funds used would receive democratic feedback and control, at least through the mandatory involvement of the German Bundestag. From DIE FAMILIENUNTERNEHMER's point of view, it would be a step backwards if this control were to be waived within the framework of an EWF.

6.5 Euro Zone: promoting homogeneity!

As if the massive crisis in the euro zone had never occurred, there are calls for as many EU members as possible to join the euro zone as quickly as possible. A corresponding obligation is often referred to in the European Treaties. This is the same treaty in which the simple and unambiguous Maastricht criteria were laid down in order to stabilize the euro currency and which have been violated more than 100 times in breach of the Treaties. Due to breaches of the rules, bail-outs and fraud (admission criteria for Greece), the euro system has developed in a completely different way than that specified by the signatories of the Treaties. It therefore seems bizarre that the mutated monetary union should now be expanded, citing the previously permanently-disregarded source of law. Economically, there is much to be said against an expansion of the euro zone, as it is already suffering from too much heterogeneity in its present form.

In the opinion of DIE FAMILIENUNTERNEHMER, the euro zone should therefore be shaped much more towards the homogeneity of its members. In addition to the macroeconomic parameters captured by the Maastricht criteria, the competitiveness of national economies must be at the forefront. Sufficient fundamental reforms have still not taken place in many euro countries to enable competitiveness to be increased significantly.

In view of the return to the bail-out ban and its disciplining effect, the development of an insolvency mechanism for euro countries and possible

exclusion from the euro zone are absolutely essential. Incidentally, during the acute phase of the euro crisis, the EU heads of government repeatedly held out the prospect of the insolvency mechanism for euro countries for the period after the crisis. No action was taken in the sense of »more Europe«.

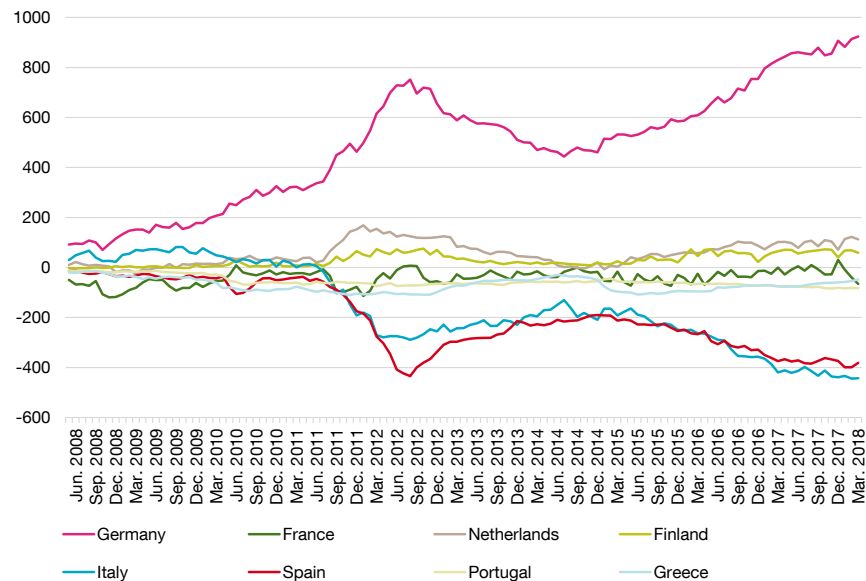
More than ever, this execution plan is needed to allow price adjustments to take place in crisis countries outside the euro area and to restore the credibility of the euro regime. The Maastricht criteria could be set on a market basis by extending capital adequacy requirements for sovereign debt. For example, no euro country would allow its structural budget deficit to exceed the three-percent mark if its government bonds automatically became less attractive to financial institutions as a result of this breach of the rules. This would be due to the fact, for example, that banks would immediately be required by law to provide higher capital backing for these government bonds.

The rules of the euro zone must be simple and clearly controllable. What is most important, however, is that they should not be subject to political arbitrariness.¹

The unstable state of the euro zone, supported only by ECB monetary policy contrary to its mandate, should therefore not be expanded but rather consolidated. The Target II balances show record levels of imbalances in the euro system and are a good indicator of the system's high vulnerability.

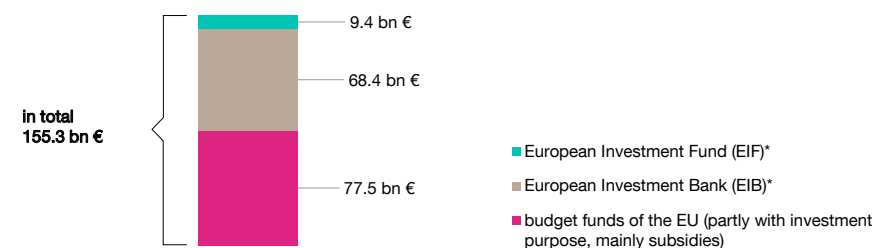
¹ "Because it's France". Answer given by the President of the EU Commission, J.C. Juncker on 31.05.2016 as to why the measures provided for in the Stability and Growth Pact were not introduced in 2016 due to repeated non-compliance with the agreed debt values against France.

Target 2 balances of selected euro states in billions of euros



Irrespective of the fundamental aimlessness of many public investments, it must be pointed out that the European Union already has no shortage of investment funds.

Investment funds from public institutions at EU level per annum



*signed financing in EU countries
Source: European Commission, EIF, EIB, May 2018

The creation of parallel structures for the euro zone, e.g. in the form of a separate budget or separate minister, does not address the problems of heterogeneity. Direct payments to euro countries would be more likely to delay structural reforms and adjustment processes. Neither does the approach of developing incentives to comply with the rules (e.g. Maastricht) via a separate euro budget make economic sense. It is in the interest of each Member State to base its own budget on sustainability and productivity. Governments that do not understand this will hardly be able to bait with budget funds for good conduct.

Both in the expansion of the budget and in all ideas to create new European money pots (monetary funds, euro budget), the proponents argue in favor of the need for European-led investment activity.

7. Education: the key to a social Europe

In addition to financial issues, the EU is preparing to play a dominant role in the field of social security. This is a slow process, as the EU wisely has hardly any original competences in the social field. Due to demographics and the type of funding, the social security systems have evolved completely differently and historically. The communitization of one or more security systems would mean disregarding the entitlements of depositors and create new wide-ranging redistribution channels between the EU member states. DIE FAMILIENUNTERNEHMER do not consider this necessary.

Instead of promoting ideas for a Europe-wide unemployment benefit scheme, we need a European initiative for more education and, in particular, better language skills. While in some European countries the shortage of skilled workers is slowing growth down, in other countries there are double-digit percentages of youth unemployment. The objective here is to increase factor mobility through education and training and not reinforce the rigid labour markets in some member states with a Europe-wide unemployment benefit scheme.

The EU could therefore make a massive contribution to language education and thus support a European labor market in terms of supply and demand. The broader this approach is, the more it reduces the risk of brain drain by a small elite group in EU countries which are catching up.

8. Reforming European institutions: closing the gap to the citizens!

In the run-up to the European Parliament (EP) elections in 2019, many formal changes in the institutional power structure of the EU are currently being discussed. These proposals are almost incomprehensible and often misleading to the public. For example, a procedural upgrading of the European Parliament (top candidate procedures, trans-national lists, etc.) by no means goes hand in hand with greater democratic legitimacy for European decisions.² For example, the European Parliament does not have a right of initiative, it does not represent an equal weighting of votes and has only relatively weak control rights vis-à-vis the EU Commission. Even if, in theory, these relationships could all be changed, the citizens would not perceive the European Parliament, or the political groups represented in it, as the democratic representation of their interests. The widespread ignorance of the EP and the ever-decreasing turnout at European elections strongly support this theory. Europe would certainly not come closer to its citizens if upgrading the EP were associated with a devaluation of the national parliaments.

In view of the EP elections in 2019 and the subsequent replacement of the EU Commission, DIE FAMILIENUNTERNEHMER plead in favor of reducing the size of the EU Commission and institutionalizing feedback from the EP with the national parliaments.

Networking national parliaments with the European level would be a first step towards closing the democratic gap between citizens and the EU. Issues discussed at European level need to be taken up faster and more extensively in the national parliaments. This increases the likelihood that national MPs will initiate a public discourse along the various party positions.

² Dieter Grimm „The strength of the EU lies in prudent limitation“, FAZ from 11.8.2014, Page 11.

This is only very rarely the case when it comes to MEPs, also due to the predominant alliance of socialist and conservative parties in the European Parliament - a kind of oversized coalition. Closer cooperation could be ensured by requiring the committee chairmen of the national parliaments to regularly attend important meetings of mirror committees in the European Parliament.

Accordingly, regular reporting by the European committees should be prescribed for the national bodies. Reporting to the national parliaments could also be imposed on MEPs. For parliaments to exchange information more closely, the possibilities of digitization must be implemented much more effectively. Instead of continuing to organize the traveling circus between Brussels and Strasbourg, the EU Parliament could push for the mandatory digital networking of national committee chairmen or, vice versa, set up a digital question time for national members of the European Parliament.

Reducing the number of EU Commissioners from 28 today to one third would underline the EU's intention to focus only on major issues. The current overlapping and duplication of financial, budgetary and tax issues in several Directorates-General is an indication of a lack of practical EU bureaucracy.

9. Conclusion: Diversity as an advantage!

DIE FAMILIENUNTERNEHMER have used a number of constructive examples to illustrate the areas in which the European Union needs to step up its efforts. In principle, we argue that the EU must first do its homework together with the EU Member States before it can set out on new paths with overloaded visions. In addition, the benefits of European Community action must be made clear to the people in every initiative.

DIE FAMILIENUNTERNEHMER believe that a further centralization of competences is only achievable if an identity of interests can be established between the Member States.

The theory that the economic convergence of the Member States, i.e. the convergence of economic conditions, can only be achieved through the centralization of policy areas and uniform approaches to solutions, does not apply. On the contrary, it is evident in many parts of Europe that the politically-constructed synchronization of 27 or more members within the EU does not work.

Depending on the topic, different speeds and levels of integration are required in order to initiate real catching-up processes in living conditions and keep the EU able to act. Europe's diversity is a great asset that the EU must make better use of. Due to our social and cultural influence in Europe, we approach tasks in very different ways. Applied to the European Union, in many areas of society this means that we do not have to overcome national diversity with a mandatory lowest common denominator of 27 or more stakeholders. The great challenge for the EU is to find the fine line between European egalitarianism on the one hand and a patchwork of special national paths on the other. Here, pragmatic approaches are required, which must be closely evaluated and then adjusted as required.

Building on the previously-unified policy areas, new initiatives in areas such as security, digitization or energy networks could be implemented, even if not all EU countries were to participate in projects initiated at European level from the outset.

DIE FAMILIENUNTERNEHMER are convinced that European integration can be promoted above all thematically. While more Europe is needed in some areas, any further step towards eliminating risk and liability in financial matters must be rejected. The considerations outlined in this paper have demonstrated which issues and policy areas now need to be addressed most urgently for regulatory reasons. If these are dealt with, a strong Europe can emerge that is able to face the global challenges of the 21st century.

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