

# Article – Future of the EU: harnessing globalisation

Globalisation offers great potential to create wealth and jobs, but it also has the capacity to disrupt. The EU has always tried to make the most of it, while mitigating its negative effects by setting rules and working together with other countries. As the European Commission publishes on 10 May a reflection paper on how the EU should deal with globalisation in the future, we take a look at what Parliament has already done recently.

## What Parliament has done recently

The EU is the [largest player in global trade](#) and it uses its economic clout to impose high standards on products being imported as well as to promote its values abroad. MEPs are always keen to make use of this by insisting on adding amendments to EU agreements. In the recent [Ceta](#) negotiations pressure from the Parliament led to the controversial investor-state-dispute settlement being replaced by the investment court system to boost transparency and ensure government control over the choice of arbitrators.

MEPs favour measures to fight unfair competition from outside the EU, such as when they called for an EU strategy following a surge in low-cost EU imports of [rail supplies](#). To protect European jobs, the Parliament is pressing for a swift agreement on the modernisation of the EU's [trade defence instruments](#). As always it is about striking the right balance, such as in the case of [China](#)

In order to prevent the [minerals trade](#) from funding conflict and human rights violations, MEPs adopted a draft EU regulation in March to oblige near all EU imports of tin, tungsten, tantalum, gold to do checks on their suppliers, while large manufacturers will also have to disclose how they plan to monitor their sources to comply with the rules. Also because of Parliament revised EU rules to prevent trade in goods and services that may contribute to [torture or execution](#) include a ban on the marketing and transit of equipment used for cruel, inhuman and degrading treatment of people outside the EU.

Parliament also often urges the Commission to prepare new legislation by adopting an own-initiative resolution. For example in April MEPs called for EU rules to [oblige textile and clothing suppliers to respect workers' rights](#). That same month MEPs also asked for a single certification scheme for palm oil entering the EU market to counter the impact of [unsustainable palm oil production](#), such as deforestation and habitat degradation.

MEPs are also mindful of how globalisation affects employment, for example supporting initiatives to [reinforce workers' rights](#). Parliament is currently

working to protect people in new forms of employment created by the [digital economy](#). Parliament also supports the European Globalisation Adjustment Fund, which helps redundant workers find new jobs. For example on 11 May the budgets committee is expected to approve €2.6 million to help 821 former Nokia in Finland

These are just a few examples of what Parliament has done regarding globalisation in recent months, but they give an idea of the different ways MEPs are engaged in making it work for Europeans.

### **Debate on the future of European integration**

The Commission is publishing five reflection papers until the end of June as a starting point for a debate on the future of European integration. Each paper is dedicated to a specific theme: Europe's social dimension, globalisation, the economic and monetary union, defence and finances. The papers contain ideas and scenarios for what Europe could be like in 2025, but no specific proposals. The initiative finishes in mid-September when Commission President Jean-Claude Juncker delivers his annual state of the union address.

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## **[EU agencies celebrate EuropeDay together.](#)**

Europe Day, held on 9 May every year, marks the anniversary of the historical 'Schuman declaration' and celebrates peace and unity in Europe. Every year in May, the European Union institutions and agencies in Europe as well as its offices all over the world organise a variety of activities for all ages to mark the day and raise awareness about the EU.

EU agencies celebrate EuropeDay together. Here's to the next 60 years breaking barriers and working for a stronger EU!

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## EU tax rules are not currently prepared for the digital economy

### **EESC debate on taxation of the digital economy and the sharing economy**

European tax rules are not currently prepared for the digital economy. They need to be adapted to reality in order to offer the people of Europe a more prosperous future. This was the main message of the European Economic and Social Committee (EESC) debate on Taxation of the Digital Economy held on 5<sup>th</sup> May.

*"The digital economy is no longer just a part of the economy, but is becoming the actual economy itself"*, stated the keynote speaker, **Rita de la Feria**, professor of Tax Law, University of Leeds, and renowned tax expert – "Global Tax 50" in 2015 and 2016. She outlined that consumption has changed – an increasing part of consumption is done online and a large part of this is on mobile phones.

Opening [the debate](#), the President of the EESC's ECO Section, [Joost van Iersel](#) invited the experts participating to explore how the new models of business, work, and consumption in the sharing economy can be taxed appropriately. He reminded that the EESC considers proposals for appropriate taxation of the digital economy vitally important. Within its wider work on fair taxation, the EESC is [preparing an opinion](#) on the taxation of the sharing economy. The debate hosted an exchange with taxation experts and economists, including EESC members Giuseppe Guerini and Krister Andersson, co-rapporteurs of this opinion that the EESC is preparing at the request of the upcoming Estonian Presidency of the Council of the EU.

*"Digitalization of the economy is not reversible; neither is globalization. All the technological development cannot be undone,"* Ms de la Feria stated. *"Either we continue to fit reality in our law, patch measures, or try to adapt our rules and laws especially in areas of fraud – and offer prosperity*

to our people.” Fraud has costs beyond revenue loss, and is thus about much more than revenue, according to her. When only focusing on revenue maximization, the applied measures that increase it do nothing to address other causes – such as distortions to competition.

“Current taxation rules risk killing the sharing economy – which is actually good for increased productivity. They are also especially tough on small companies”, stated EESC member [Krister Andersson](#). “Mobility is not a problem, but a benefit which we should cherish. Instead, we need to adjust our tax rules accordingly in order to face the challenges and ensure that we realise all potential opportunities”, he added.

*“We need a more united taxation system in Europe. Our economy is not united to our territory, so we should treat it with one united European approach”*, said [Giuseppe Guerini](#), EESC rapporteur of Taxation of sharing economy

Ms de la Feria’s presentation detailed the other costs of tax fraud, including subsidies to organised crime and perceived unfairness by taxpayers. She also discussed tax competition, declaring that until incentives are removed, the symptoms will just reappear despite any anti tax-avoidance measures.

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## [Daily News 08 / 05 / 2017](#)

### **Europe Day: Members of the Juncker Commission mark the day speaking to citizens**

Several Members of the **Juncker** Commission will hold speeches and Citizens’ Dialogues today and tomorrow to mark Europe Day 2017. Later today, President **Juncker** will address the *Bonner Akademie für Forschung und Lehre praktischer Politik* on the future of Europe and its current challenges. Commissioners **Mimica** and **Bulc** will hold a joint Citizens’ Dialogue in Rijeka, Croatia. Commissioner **Hahn** will hold another in Vienna, where he will also deliver a speech on the 30 years of Erasmus+. On Tuesday, Europe Day, President **Juncker** will participate in a Citizens’ Dialogue in Bozar, Brussels, with other prominent European figures. Commissioners **Bulc** and **Hogan** will take part in Citizens’ Dialogues in Ljubljana, Slovenia and Dublin, Ireland, respectively. Commissioner **Avramopoulos** will participate in a celebratory event organised by the Commission Representation in Athens and Commissioner **Navracsics** will be at a similar event organised by the Representation in Budapest. The Commission’s Representations in all Member States will be hosting a wide range of celebratory events to mark Europe Day with concerts, games, exhibitions, family days, and workshops. For more details, consult the websites of the Commission’s Representations [here](#). (For more information: Margaritis Schinas, Tel.: +32 229 60524; Natasha Bertaud, Tel.: +32 229 67456)

## **Juncker Plan: EUR 25 million to support innovative software systems**

The [Juncker Plan](#) has backed a EUR 25 million agreement between the European Investment Bank (EIB) and MariaDB, a Finnish software development company, to support the development and commercialisation of innovative database systems. The European Fund for Strategic Investments (EFSI), the central pillar of the Juncker Plan, was a crucial factor in making this loan agreement possible. European Commission Vice-President Jyrki **Katainen**, responsible for Jobs, Growth, Investment and Competitiveness, said: *“Developing new, innovative products requires sustained investment. I am delighted that the Investment Plan is unlocking finance to facilitate MariaDB’s development programme, that includes expanding their engineering team as well as increasing international sales and marketing operations. Focus on innovation and research as well as reaching out to new markets will help the company succeed in a highly competitive market.”* The Juncker Plan is now expected to trigger around EUR 4 billion in investment in Finland and EUR 183.5 billion across Europe. For the latest figures country-by-country, see [here](#). A full press release is available [here](#). (For more information: Vanessa Mock – Tel.: +32 229 56194; Enda McNamara – Tel.: +32 229 64976)

## **La Commission lance un point de rencontre virtuel “Génération Erasmus”**

Il y a 30 ans naissait le programme Erasmus, grâce à la volonté très forte des décideurs européens, des étudiants et des universités. Depuis, une génération Erasmus est née, composée de neuf millions d’anciens étudiants, apprentis, volontaires, professeurs et éducateurs. Aujourd’hui, la Commission Européenne lance [un point de rencontre](#) virtuel pour cette génération, afin de construire maintenant et ensemble le futur de ce programme après 2020. Le Commissaire Tibor **Navracsics**, chargé de l’Education, la Culture, la Jeunesse et du Sport a déclaré: *“Erasmus+ est l’un des outils les plus puissants de l’UE. Pour continuer à toujours améliorer sa pertinence et son succès, il est indispensable de le développer en coopération avec l’ensemble des acteurs concernés. Ceci implique non seulement la ‘Génération Erasmus’, mais aussi les organisations actives dans le domaine de l’éducation, de la formation et de la jeunesse. Cet espace en ligne donne aux citoyens européens une occasion concrète de construire l’Erasmus+ et l’Europe de demain.”* Pour rendre les échanges d’idées aussi interactifs que possible, la plateforme offre une palette de fonctionnalités différentes : stimuler la discussion grâce au partage d’idées, de vidéos et de documents, débattre et commenter les suggestions proposées, voter pour ses idées préférées et planifier des événements et des groupes de discussions partout en Europe. Plus d’informations sur le trentième anniversaire d’Erasmus ainsi que la campagne [D’Erasmus à Erasmus+](#). (Plus d’informations : Nathalie Vandystadt – Tél.: +32 229 67083 ; Inga Höglund – Tél.: +32 229 50698)

## **Mergers: Commission clears acquisition of Vanderlande by Toyota**

The European Commission has approved under the EU Merger Regulation the acquisition of Vanderlande of the Netherlands by Toyota of Japan. Vanderlande manufactures and sells automation equipment for airports, warehousing and

parcel handling. Toyota manufactures and sells automobiles, engines, compressors for automotive air-conditioners, foundry parts, electronic components, textile machinery, logistics services and non-fixed-installed and non-automated material-handling equipment. The Commission concluded that the proposed acquisition would raise no competition concerns because the companies are not active in the same markets and because market shares in all vertically linked markets remain limited. The operation was examined under the simplified merger review procedure. More information will be available on the Commission's [competition](#) website, in the [public case register](#) under the case number [M.8391](#). *(For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Tsoni – Tel.: +32 229 90526)*

### **Mergers: Commission clears the creation of a joint venture by STRABAG and EVN**

The European Commission has approved under the EU Merger Regulation the acquisition of joint control by STRABAG SE (“STRABAG”) and EVN AG (“EVN”), both of Austria, over the joint venture Projektgesellschaft Geoenergie Bayern Projekt Garching a.d. Alz GmbH & Co. KG, of Germany. The joint venture holds the rights for the development of the deep geothermal energy project “Bruck” in Garching a.d. Alz in Bavaria, which will further develop and generate and supply electricity and district heating to third parties. Moreover, it is expected to develop other deep geothermal projects. STRABAG is active worldwide in all segments of the construction business, especially in structural, construction and civil engineering, as well as road construction. EVN is mainly active in the exploration and production of oil and gas, gas storage and distribution of electricity, gas and district heating. The Commission concluded that the proposed acquisition would not raise competition concerns given that the joint venture has no, or negligible, actual or foreseen activities within the European Economic Area. The transaction was examined under the simplified merger review procedure. More information is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.8455](#). *(For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Tsoni – Tel.: +32 229 90526)*

### **Concentrations: la Commission autorise l'acquisition par AXA et la Caisse des dépôts et des consignations de deux locaux commerciaux**

La Commission européenne a approuvé, en vertu du règlement européen sur les concentrations, l'acquisition du contrôle en commun par AXA et la Caisse des dépôts et des consignations, toutes deux basées en France, de deux lots de copropriété à usage de commerce au sein d'un centre commercial situé dans la région Provence-Alpes-Côte d'Azur, en France. AXA est un groupe d'assurances global actif dans le secteur de l'assurance vie, santé et d'autres formes d'assurance ainsi que dans la gestion d'investissements. La Caisse des dépôts et des consignations est un établissement public réalisant des activités d'intérêt général telles que la gestion des fonds privés auxquels les pouvoirs publics souhaitent apporter une protection particulière et des activités ouvertes à la concurrence dans les secteurs de l'environnement, de l'immobilier, de l'investissement et du capital investissement ainsi que des services. La Commission a conclu que l'acquisition envisagée ne soulèverait pas de problème de concurrence compte tenu de son impact très limité sur la structure du marché. La transaction a été examinée dans le cadre de la

procédure simplifiée du contrôle des concentrations. De plus amples informations sont disponibles sur le site internet [concurrence](#) de la Commission, dans le [registre public](#) des affaires sous le numéro d'affaire [M.8387](#). (Pour plus d'informations: Ricardo Cardoso – Tel.: +32 229 80100; Maria Tsoni – Tel.: +32 229 90526)

## **ANNOUNCEMENTS**

### **High Representative/Vice-President Mogherini in New York City to debrief United Nations Security Council**

On 8 and 9 May, High Representative/ Vice-President Federica **Mogherini** will be in New York City for her annual debrief to the UN Security Council, in line with the European Union's strong commitment to multilateralism. The United Nations remain a key partner for the European Union and an indispensable forum for tackling global challenges in partnership. In the margins, the High Representative/Vice-President will have a number of bilateral meetings, including with UN Secretary General Antonio Guterres; the Presidency of the Security Council, Ambassador of Uruguay Elbio Rosselli; the US Permanent Representative to the UN, Ambassador Nikki Haley and EU Ambassadors to the UN. The High Representative/Vice-President will also attend a celebration of Europe Day together with UN Secretary General Guterres. For more information on the EU at the UN, please see the website of the [EU Delegation](#) and the [factsheet](#). HR/VP **Mogherini** will hold a press point on 9 May at 12:30 local time, at the UN Security Council stake-out. The entire visit will be fully covered on [EbS](#). (For more information: Maja Kocijancic – Tel.: +32 229 86570; Esther Osorio – Tel.: +32 229 62076)

[Upcoming events](#) of the European Commission (ex-Top News)