

Foreword

"The Next Stage"

The "European Contract for a Well-Being Society" and the European Participatory Budget are the third stage in the action successfully undertaken by the Permanent Forum to reinforce European citizenship and identity. The Forum – supported by the European Movement – was at the root of a draft Citizens' Charter which inspired Convention I on the Charter of Fundamental Rights. The theme of a European Participatory Democracy, developed by the Forum in its draft charter, has been taken up by Convention II when drawing up the Constitution. A European Contract, negotiated within the framework of what would be Convention III, would complete this architecture and constitute "the next stage".

The hereby annexed note starts the ball rolling. Essential elements in this proposal will be the subject of consultations over the coming months. We are grateful to the organizers of the IVth States-General of the Forum, which will take place in March 2004, for putting the European Contract on the agenda. Other meetings will take place at a later date to prepare for this Convention III, the launch of which would be scheduled for September 2005.

The venue of the States-General to be held next March is Rome, and more specifically the Campidoglio, a highly symbolic place where the Rome Treaty was signed and where the Forum presented its European Citizens' Charter in March 1977. This means that for us, the "next stage" represented by the European Contract could not be launched in a more historically charged place.

The Permanent Forum of Civil Society

**2005/2006 – A Convention III
for a European Contract for a Well-Being Society
Its 2007-2013 Programme "Together We Do Better"**

In June 2004 European citizens will choose the members of the European Parliament for the next five years (2004-2009). It is with this goal in mind that the Permanent Forum of Civil Society has set the objective of bringing about the convening of a third European Convention in September 2005, whose mandate would be to establish a European Participatory Budget for 2007-2013 and to conclude a **European Contract for a Well-Being Society**. The framework of this Forum's initiative is defined below.

From December 2003 to February 2004, all the organizations belonging to the Forum will be consulted and asked to be involved in the implementation of this proposal. They will meet under the "IV States-General" called in Rome on March 12 & 13, 2004 to finalize the proposal and put forward an action plan with a view to bringing about the convening of a European Convention III starting work in September 2005 and completing it by September 2006.

The Permanent Forum of Civil Society is convinced that after drawing up the Charter of Fundamental Rights and establishing the Constitution of the European Union, it is now necessary – in order to continue the construction of the Union and reinforce its European identity – to tackle the conclusion of a European Contract for a Well-Being Society which would clearly define a new sustainable European model for economic, social and cultural development.

Actually, this model is already being established on the basis of a wide range of – too little known – successful initiatives taken at the level of EU Member States by many economic, social and associative players. The time has come to bring together these "champions" of a society marked by stronger bonds of solidarity and to give a greater multiplier effect to their actions by allowing them to play a part in the establishment of the European Contract for a Well-Being Society.

The time has come to establish a real European contract, which would act as a lever for Europe to make "further progress" at social and economic levels within the framework of an ethical globalization, and to provide for means of implementation of this contract via a participatory budget and a European Community tax system. The European Union can thus become a *quiet* superpower, an "anchor" for world peace and the driving force for a new stage of economic growth, ensuring a fair distribution of riches, employment for all, a better educational and public health system and a better support system for the elderly and the handicapped.

In this way Europe will be able to fight all the better against the "enemy" and greatest threat to our security: apartheid and social exclusion. This will in turn strengthen solidarity and hope in a better future, fulfilling dreams of well-being for everyone until the end of their lives and for future generations.

The European legislative period running from 2004 to 2009 should be the time for further progress towards a well-being society at European and world levels. This objective should constitute a lever for the revival of the economy and innovation in the social, economic and cultural fields. Only a participatory approach based on partnership will make it possible to have new forms of synergy. Thanks to this approach, Europeans will be able to innovate, achieve a convergence between public and private financial means and accelerate the move to a new mode of development that can ensure peace and security.

For the first time, this method will include a European "participatory" budget for the period 2007-2013.

The topics addressed by Convention III will be the subject of a separate document resulting on the one hand from a questionnaire to be sent to the organizations co-operating within the Permanent Forum of Civil Society and on the other hand from the discussions conducted within its States-General in Rome. The Forum's member organizations will be asked to determine the priorities on the agenda of Convention III, such as:

- an effective implementation of the Charter of Fundamental Rights;
- the realization of a European Participatory Democracy;
- the introduction of economic, social, fiscal and budgetary governance;
- growth indicators linked to human, sustainable and fair development;
- protection and enhancement of common goods as a collective heritage
- solidarity among generations and with the handicapped;
- the fight against precariousness, poverty and social exclusion in Europe;
- public health and the right to a healthy environment;
- the preservation of cultural diversity;
- equality between men and women;
- the young people of Europe and the European identity;
- migrations, European development and Europe's borders;
- a partnership between diplomats, businesses and civil society to reach the objectives of the Millennium Declaration;
- sustainable investments;
- sustainable, fair trade;
- a sharing of knowledge, notably in order to bridge the digital divide;
- ...etc.

Since it is urgent to rethink together the practical conditions for governance in Europe, thanks to negotiation forums being extended to civil society, the composition of Convention III will differ from that of Convention II. Here again, the proposals of the Permanent Forum of Civil Society will be the subject of a separate document resulting on the one hand from a questionnaire sent to the Forum's member organizations and on the other hand from the discussions conducted within the framework of its States-General in Rome. It is thus proposed to reflect on the establishment of a Convention which would have, for example:

as members:

- European and national public authorities (governments, European Parliament, national parliaments, European Commission, Economic and Social Committee, Committee of the Regions);
- the "Champions" of corporate citizenship, particularly socially responsible businesses with a European status and SMEs from various sectors as well as from the financial sector, including public and cooperative or mutual-benefit financial institutions;
- the "Champions" of the social and cooperative economy, social, educational and health services, public utilities;
- the "Champions" of social and cultural NGOs, such as women's associations, or associations for the elderly or the handicapped;
- the "Champions" of trade unions and organizations representing job seekers;
- the "Champions" of the action undertaken to protect the common good.

as observers:

Representatives of civil society in the third countries that have signed the agreements for a Euro-Mediterranean free trade area and the agreements between the Union and other regions of the world.

The European Social Contract will be jointly implemented by its signatories, in other words by all the Convention members. A Monitoring Committee will be set up at the end of Convention III with the task of submitting an annual Report and proposals for improving the process.

Within the framework of the campaign for the 2004 elections to the European Parliament, the Permanent Forum of Civil Society is inviting European political parties to attend a meeting on 12 November 2003.

The Permanent Forum will encourage them:

- to include the "European contract for a Well-Being Society" and the "European Participatory Budget" in their programmes;
- to designate candidates for the Presidency of the European Commission, the Presidency of the European Parliament and the Presidency of Convention III, who undertake to negotiate and implement the European Contract for a Well-Being Society.

ANNEX 1. WORKING PAPER.

The Forum's proposal and 5 European challenges

The proposal for a "European Contract for a Well-Being Society" leading to a programme and a European participatory budget for the period 2007-2013, as described above, is an answer to five challenges:

- To those who consider that neither the Charter of Fundamental Rights nor the draft Constitution sufficiently meet the expectations of a Europe in which the values of equality, solidarity and justice have been added to those of liberty, democracy and respect for human rights, it can be said that the European Contract and its link with the 2007-2013 budget bring the assurance of a new dynamic.
- To those who are afraid of the growing gap between the States for which EU enlargement amounts to social dumping and the Peoples of Europe yearning for greater well-being, it can be said that the theme of the European Contract, "a well-being society", puts a highly competitive social market economy at the core of discussions, a type of economy which is one of the objectives of the draft Constitution.
- To the observation that Europe is faced with several interconnected challenges – making a success of its enlargement and adapting to the social challenges linked to its demographic development and to the shift to a post-modern society and an "ethical globalization" – it can be said that Convention III would help develop new "synergies" between public authorities, the private sector, social economy and NGOs.
- This dynamic and these new synergies will be most necessary to enable the Union to innovate, including at a budgetary level, to move closer to its own objectives and to become more competitive. Europe cannot succeed in reaching the Lisbon objectives (a knowledge-based society), the Gothenburg objectives (sustainable development) and its ambitions in terms of economic revival if it does not change methods and cannot manage to better mobilize its living strength. The Union does not rely enough on the agents of change, which would have their place within Convention III.
- Finally, Convention III and the European participatory budget will demonstrate that the notion of a European participatory democracy, designed to bring the Union closer to its citizens and adapted to a knowledge-based, networking society is a source of innovation, dynamism and mobilization which fosters transparency and participation. Preparations for a European participatory budget will act as an essential lever for effectiveness, particularly since the financial means available need to yield a higher return in an enlarged Union. This effectiveness requires that in terms of governance and functioning of the Commission, greater adjustments should be made to its mode of operation and its budgetary proposals.

Convention III would turn Europe once again into a kind of laboratory for the world. In Convention III, those which make up the living economic and social strength of Europe would no longer be "observers" but full Convention members, since a Well-Being Society is everyone's concern and the whole living strength of Europe and the "champions" of social economy should be mobilized. Representatives from the peoples of third countries would be involved in Convention III as "observers", as they are increasingly concerned by European decisions in the context of economic globalization and the weight of Europe and bilateral agreements.

ANNEX 2. WORKING PAPER.

European Participatory Budget and 2007-2013 Budget

1. Participatory democracy in practice

The draft Constitution acknowledges participatory democracy.

The European Union wants to be closer to its citizens.

The objective is to achieve greater transparency, accountability and participation to unlock the EU potential.

2. The Budget, innovation and competitiveness

The Budget is the sinews of war. The Community objectives have not been reached (Lisbon, Millennium Declaration) because of a lack of innovation and creativity. However, innovation and creativity can result from new forms of governance.

Europe suffers from three blocks that stop innovation:

Block 1. The Institutions are locking themselves in. The "fortress" is organized in such a way as to preserve "guaranteed income" without the effectiveness of budgetary allocations being evaluated: budgets allocated to the Directorates General of the Commission and Parliament, funds going through the Community budget on their way to the Member States that manage them (information budget, structural funds, etc.).

Block 2. The lobbies are locking up their own private ground. Everyone naturally knows about the "budget appropriations" allocated to farmers, the industry, or NGOs without any cross-checks as to whether these allocations are in accordance with Community objectives.

Block 3. The Commission itself.

By being tuned in to the current situation and examining it carefully, we can say without much risk of getting it wrong that:

- the Commission does not make proposals in line with its objectives, such as the objective of accelerating the move to sustainable development. See its industry policy or its transport policy;
- the Commission prefers "consolidating major entities" than giving a proper chance to creativity. See the research, agriculture and industry budgets;
- the Commission has become an expert in organizing and arbitrating "competition" between those submitting projects while being unable to establish "synergies". There is no cross-evaluation, no feed-back, no co-operation. This is especially the case for support to NGOs;
- the Member States criticize the Commission for its lack of efficiency (delivery) and consequently refuse to give financial support to Community initiatives, particularly in the field of support to Developing Countries.

To prepare for Convention III, a task force composed of experts representing the Commission, the Council, the Parliament and civil society will already be set up in November 2004. Its mission will be to table a report to Convention III in September 2005 about the method to be used to generate a European participatory budget for 2007-2013. The terms of reference of the task force will explicitly include the following objectives:

- implementing participatory democracy;
- accelerating the shift to a new development model;
- accelerating implementation of the Lisbon objectives;
- accelerating implementation of the commitments contained in the Millennium Declaration.