

C4

Motion

Y-FED 2024

Proposer: The European Government (decided on: 2024-07-06)

Title: **Government's proposal for Regulation
2024/XX/EF laying down the general framework
addressing the macroeconomic and financial
situation in Italy and the Federation**

The European Government's proposal for

Regulation 2024/XX/EF OF THE HOUSE OF EUROPEAN CITIZEN AND OF THE SENATE

of 6th July 2024

laying down the general framework addressing the macroeconomic and financial situation in Italy and the Federation

1 THE HOUSE OF EUROPEAN CITIZENS AND THE EUROPEAN SENATE,

2 Remembering the continuum of the European integration project, created on the
3 premise of economic cooperation between peaceful nations as a step towards de
4 facto solidarity and federation among European nations,

5 Having regard to the European Youth Convention, and in particular Articles 47 to
6 52 thereof,

7 Having regard to Organic Regulation 2024/01 defining European citizenship also
8 called the European Citizenship Charta, Regulation 2024/02 laying down the
9 Federal Budget and Directive 2024/03 ensuring fair and decent social standards
10 across the Federation.

11 Acting in accordance with the procedure laid down in Article 20 of the
12 Convention and Rule 7.1.1.2, 7.1.5.1, 8.1.1 and 9.1.12. of the Rules of
13 procedure,

14 *Whereas:*

- 15 1. On the 4th of July 2024, the European Parliament adopted the “Social
16 Contract” packages laying down the rules for the Federal European
17 Citizenship, Federal Budget as well as the creation of a Public Service.
18 Such provisions were a response to the financial and identity crisis
19 looming over the Federation. As such, it gave Europeans a sense of fiscal
20 responsibility and proudness towards the Federation.

- 21 2. On the 5th of July 2024, the Italian Government announced not to reimburse
22 the loans contracted through the Next Generation EU package, despite the
23 warnings of the Federal Government. This led to an inflation spiral that
24 eventually caused a spike on the stock exchange markets. In turn, the
25 Italian Government announced it was in liquidity default and could not
26 fulfill its financial obligations. On the night of the 5th July, it
27 officially called for International solidarity.

- 28 3. The Federation acknowledges the threat that the bankruptcy of the Italian
29 Government would pose. The Federation must be provided with the
30 appropriate measures to preserve financial markets stability and European
31 social and economic cohesion.

- 32 4. The Convention allows, in its Article 51.2, the Government to generate
33 debt on exceptional circumstances to face perilous situations.

34 HAVE ADOPTED THE FOLLOWING REGULATION:

35 **CHAPTER 1 - GENERAL PROVISIONS**

36 **Article 1: Object**

37 The present Regulation lays down immediate action to solve the issues caused by
38 Italy's state of bankruptcy, and the protest waves all over the Federation's
39 territory.

40 **Article 2: Definitions**

41 For the purposes of this Regulation:

- 42 1. Savings - Refers to the amount of money owned by private individuals, and
43 used by an investment asset by private banks.
- 44 2. Revitalisation - Refers to the policy of ensuring the economic and social
45 resilience of a territory after suffering a major blow.
- 46 3. Ledger - A book or other scheme for keeping [accountingrecords](#)

47 **CHAPTER 2 - ON THE DEBT TAKE-OVER**

48 **Article 3: Towards a Federated public debt for the Federated**
49 **States**

50 The Federation should, in the long run, become the sole owner of all existing
51 national public debt of the Federated States. In accordance with Article 51.2 of
52 the European Youth Convention, the Federation shall take-over the existing
53 national public debts in order to reimburse them.

54 **Article 4: Transition period**

55 A transitional period shall commence in the month subsequent to the enactment of
56 this directive. The procedures outlined herein shall be uniformly applied
57 throughout the entirety of the transitional period:

- 58 • Upon the expiration of each national bond, the Federal Treasury Agency
59 shall issue a corresponding new bond to settle the national bond, thereby
60 transferring the associated liability to the Federal ledger;

- 61 • Federated States may request a grant from the Federal Treasury Agency
62 during the transitional period, provided that their annual budget exhibits
63 a deficit;

- 64 • The aforementioned procedures shall terminate upon the complete transfer
65 of all debts owed by Federated States to the Federal ledger.

66 **Article 5: Funding**

67 The Federal debt mechanism is funded through indirect contribution from European
68 household's savings. The Federal Treasury Agency shall ensure the repayment of
69 its financial assets by securing them on household's savings located on saving
70 bank accounts located on the European Federation's territory.

71 **CHAPTER 3 - ON THE REVITALISATION OF DEPRESSED** 72 **AREAS**

73 **Article 6 : Federal framework for employment regeneration in** 74 **stricken areas (FFERSA)**

75 The Federated Government shall propose and enforce a plan to regenerate
76 employment in areas struck by economic and social blasts, with the objective of
77 saving employment.

78 **Article 7 : General provisions for enforcement of the FFERSA**

79 Whenever a local authority equivalent to NUTS 2 notifies the services of the
80 Federal government of a major economic blast reasonably threatening employment
81 in a specific area, the Government shall propose to the local government, to the
82 House of European Citizens and to the European Senate a plan based on the
83 Federal framework for employment regeneration in stricken areas (FFERSA).

84 **Article 8 : Financial resources and implementation**

85 The FFERSA shall be funded by extraordinary bonds issued by the Federal
86 government, according to Article 51-2 of the European Youth Convention. The
87 total amount of this bond shall be allocated to financing recovery in the
88 stricken area, via funding local plans (proposed by NUTS 2) for safeguarding
89 employment.

90 The bond shall be issued within a time period of less than two months, allocated
91 to the NUTS 2-lead project in the following month, and eventually be spent in
92 less than 5 months after the economic backlash.

93 **CHAPTER 4 - ON THE RIGHT TO PROTEST IN THE**
94 **FEDERATION**

95 **Article 9: Right to Peaceful Protest**

96 Every citizen shall have the right to peaceful assembly and protest, provided
97 that such protest does not infringe upon the rights and freedoms of others or
98 compromise national security.

99 The Government shall take appropriate and proportionate measures to ensure the
100 rights and freedoms of others as well as national security.

101 **Article 10: Responsibility and Accountability**

102 While the right to protest is recognized, it is incumbent upon the protesters to
103 ensure their actions remain within the bounds of law and order. Any act of
104 violence, vandalism, or public disorder shall not be tolerated and will be
105 subject to legal penalties.

106 **Article 11: Permit for Large Gatherings**

107 For protests involving a significant number of participants, a permit must be
108 obtained from local authorities. This is to ensure public safety and order, and
109 not to restrict the right to protest. The process for obtaining such a permit
110 should be transparent, non-discriminatory, and expedient.

111 **CHAPTER 5 - IMPLEMENTATION**

112 **Article 12: Entry into force and application**

113 1. The present Regulation shall enter into force immediately following its
114 publication in the Official Journal of the European Federation.

115 2. The Government shall be allowed to adopt any decree or implementing act
116 related to the implementation of the technical aspects of the present
117 Regulation.

118 3. It shall apply from [Day][Month][Year]

119 The present Regulation shall be binding in its entirety and directly applicable
120 to the European Government and in all Member States.

121 For the European Parliament

122 The President

123 For the European Senate

124 The President