

# The Economic Vision of Volt Europa

Volt Europa was born out of a vision for a united Europe that ensures the well-being of all Europeans and future generations. We, at Volt, strongly believe that the path forward requires a thriving economy that drives Europe's prosperity in a sustainable way.

As a progressive movement, we challenge old narratives posing tradeoffs between economic growth and inequality or sustainability. Instead, we promote a vision where smart policies protect, provide opportunities, and drive economic progress simultaneously.

As a pragmatic movement, we plan to guide economic policies on solid scientific studies and best practices whenever possible, and to ensure all new policies are studied and their metrics for success defined ahead of time.

We stand for solidarity and equality, so that every European is given the opportunity to thrive, where a healthy economy is built on a healthy and educated workforce, and where a robust safety net funded by fair taxation leads to more harmonious and equitable outcomes.

We stand for a dynamic economy based on innovation and entrepreneurship. Our goal is sustainable economic prosperity, which can only be achieved when economic growth is decoupled from social and environmental harm. We aim to reduce inequalities and respect planetary boundaries, ensuring resilience and intergenerational fairness.

One of the main economic principles of Volt is that there should be as much market as possible and as much state as necessary. Economic freedom is essential to foster innovation and investment. At the same time, it is up to the state to correct market failures, determine broad economic strategy and to ensure an equitable society.

For that, we must gather forces in a pan-European economy. From fiscal policy, to the banking union, to the labour market, we stand to greatly benefit from an ever closer union. By tearing down the barriers between our national economies, we will unleash Europe's full potential.

This vision will be achieved by an economic model that is based on the following four pillars: an innovative and prosperous economy, a fair and equitable society, a resilient and sustainable foundation, and a truly European ambition.

## **1. An innovative and prosperous economy**

We strive for a dynamic economy in all EU member states and regions as the backbone of our economic model. Hence, our policies are focused on ensuring that local economies create an environment that promotes high-productivity work. In order to achieve this, we emphasise the need to create a corruption-free, smart, and digital state that fosters new technologies and new types of work undertaken by a skilled workforce.

### **Investing in innovation**

Europe must be at the forefront of technological innovation, both to boost its economic growth as well as to ensure that new technologies are in line with European values. While much great research is done in Europe, many important developments driving the digital revolution, such as Big Data, Artificial Intelligence, and cybersecurity have not gotten enough attention. Europe needs to catch up on these missed opportunities and invest heavily in both fundamental and applied research. Volt wants to continue joint investment programs, such as Horizon Europe, to encourage innovative research. At the same time, Volt strongly supports a transparent investment-promoting tax system that supports the entrepreneurship of innovative small and medium-sized enterprises and the creation of new jobs. Europe should reinforce existing, and invest in new, specialised technological hubs across the continent.

### **Single Market**

We envision a Europe where barriers are dismantled, enabling companies to grow and effectively compete with businesses born in other major markets. By simplifying and harmonising regulations, providing vital support, and fostering cross-border trade, we are determined to empower our entrepreneurs and innovators to reach unprecedented heights of success.

### **Market Regulation**

It is also crucial to ensure corporate regulation fosters competitive markets and does not allow for some companies to acquire a dominant market position which can be abused to hurt workers and consumers. Regulators must keep a watchful eye on market concentration and collusion. Intellectual property laws should be calibrated to be generous enough to foster investment, but not to the point of stifling competition.

### **Digitalisation**

Europe needs efficient state apparatuses that assist economic development instead of slowing it down. This will be achieved through the digitalisation of public services to make bureaucracy more efficient, and investments to increase public service

attractivity and quality. States must find the best way to integrate new technologies such as AI in order to create a more efficient and user-friendly public administration. However, digitalisation should not replace the possibility for human interaction. Digital solutions should empower citizens, and be developed based on their needs. Additionally, Europe must ensure the continued investment in infrastructure required to support increasing digitalisation, including the entire value-chain.

## **Education**

A fair and innovative economy needs skilled workers and a well-educated population. Volt wants European states to provide free, accessible, and high-quality education for every citizen, including affordable pre-school childcare. Education should be accessible to all Europeans, regardless of their background. Concretely, Volt wants to invest in the quality of public education to reduce the divide with private education.

Due to technological advancements such as digitalisation, automation, and Artificial Intelligence, the labour market is changing drastically once again. Both workers and educational systems need to be able to adapt to the ever-changing world of work. Volt supports a flexible and ambitious education system where students become apt problem-solvers and familiar with new technologies from early on. Higher education should function in close collaboration with academia and industry, to quickly respond to changes in demand for certain skills and talents. At the same time, Volt wants to encourage education in a broad selection of subjects to embrace and foster the diverse skills needed for an innovative and creative society. In addition, Volt wants to improve the proper recognition of competencies and certifications across borders to allow Europeans to work anywhere in Europe. Finally, since education is a lifelong journey, Volt supports the promotion of reskilling programs for adults.

## **Corruption and transparency**

In order to harness the gains of a strong, competitive market, European states must ensure its architecture is transparent and resilient. The first step is the fight against corruption, which still remains a major impediment throughout our continent. Corruption results in misallocation of resources and funds, and minimises the opportunities and motivation of citizens to be productive. In response, we promote a fair, transparent, and efficient legal system, independent institutions, and effective law enforcement. For this purpose, it is crucial to harmonise relevant economic legislation and to foster international cooperation and information-sharing.

## **2. A fair and equitable society**

Over the past decades, Europe has become richer, but this wealth has not been shared equitably enough among Europeans. Volt wants every one of us to profit from the prosperity of our economy, regardless of who we are or where we are. We aim to ensure equal opportunities for all European citizens through fair education, healthcare, employment policies, and just and progressive taxation.

### **Fair taxation**

Through taxation we all contribute to our society and with a fair taxation system we all contribute equally within our means. Just taxation should be paramount, so that those that profit most from our society also contribute most to its upkeep. Volt wants to implement progressive wealth, inheritance, and gift taxes to ensure that everyone pays their fair share and wealth inequality is decreased. Volt also considers taxes a driver for change, meaning that taxes can be used to promote behaviour that leads to a more equal and sustainable Europe. In the fight for affordable housing and against homelessness, implementing a Land Value Tax is one example of how taxation can foster better outcomes, in this case by encouraging more efficient use of our land. In the corporate sector, we must ensure that all multinational companies with activities in Europe pay their fair share of profit taxes and lead efforts against fiscal evasion worldwide.

### **Collective Bargaining and fair wages**

In a fair and just economy, workers get wages that they can live on: a living wage that is both fair and sustainable, and that can work in a transparent and rule of law-based environment. In Volt we believe that collective bargaining between organised employees and employers has proven to give the best outcome when it comes to creating a sustainable living wage for all.

We recognise that the pillars that hold up a functioning collective bargaining system do not yet exist in every European state. Therefore we advocate for the creation of a European minimum wage system, that will ensure that in countries where a system purely based on collective bargaining is not yet feasible, and where workers do not have sufficient bargaining power to be heard, a liveable minimum wage will be ensured. At the same time, it is important that this system works to strengthen the pillars of collective bargaining so the use of the mechanism grows.

## **Employment opportunities for all**

In line with our commitment to inclusivity, Volt supports affirmative action and positive discrimination measures. These approaches serve to promote the inclusion of marginalised individuals in fields and positions that have historically been structurally inaccessible to them. Volt recognises the need to address systemic barriers and strives to create a society where everyone has a fair chance to succeed.

To fully utilise our economy's potential, we need to support those that want to do paid work, but are now unable to do so. In regions where many young people are involuntarily unemployed, Volt supports fiscal systems that incentivise the employment of young Europeans. Volt wants to create measures that encourage all parents to do their fair share of childcare. This will give all parents equal opportunity to also do paid work, lower financial dependency, and eliminate gender inequality, including the pay gap. Volt wants to promote policies that allow people with disabilities to do paid work as much as they are able and willing. Including people with disabilities in the workforce will improve their financial situation.

## **Pensions**

As Europe's population ages, more and more resources will be needed for public pensions. Volt supports the increasing self-sufficiency of pension schemes and intergenerational justice. Pension policies should ensure the well-being of elderly citizens, without disproportionately burdening workers and future generations. In addition, Volt supports policies that support elderly workers to do paid work as long as they are able and willing.

## **Welfare**

A fair and just economy protects its workers and provides a safety net for those who need it. We consider it to be a priority to apply evidence-based innovative welfare tools, such as no-strings attached public benefits, while remaining open to methods outside said tools that can increase the redistribution role of the welfare state and the economic independence of citizens. In time, we envision a Europe where everyone feels economically safe, independently of their employment. This strong safety net will also foster incentives for Europeans to risk and invest in their business ideas contributing to a more dynamic economy.

## **Healthcare**

A healthy economy requires healthy people. In Europe, access to healthcare is linked to national frameworks. Volt wants universal health coverage in Europe for all Europeans. Volt supports policies that provide access to efficient health services when and where people need them, including in rural and underfunded areas. This requires a flexible system that is able to provide care where it is needed.

Volt favours a complete public healthcare system, including mental and preventive healthcare. Reducing the disease burden from environmental and lifestyle factors by for example providing cleaner air and water, encouraging a healthy diet and reducing smoking, will lead to a healthier population overall and reduce the cost of healthcare for the state. The healthcare system should also be able to quickly make use of new medical technologies and provide the best possible care. Therefore, Volt promotes increased investments in our healthcare systems to improve the health of all Europeans.

### **3. A sustainable and resilient foundation**

Climate change, loss of biodiversity and pollution of soil, water, and air are causing more and more damage to nature and humans. To ensure that future generations can also live in a healthy world, we need to act now. To ensure this, Volt promotes a green, healthy, and sustainable future by reconsidering our main policy goals, boosting investment in clean energy and transportation, upholding production standards, and promoting corporate responsibility.

#### **A new growth paradigm**

Currently, economic prosperity is often measured based on how much monetary value is produced; Gross Domestic Product (GDP). However, measuring economic growth through such a metric has become largely unfit to the social and ecological challenges of our times. As such, Volt advocates for a new growth paradigm where growth should no longer be seen solely as the capacity for material abundance. Rather, economic growth is to be conceived as a vessel for innovation that can liberate economies from fossil fuel-induced paths, while creating wealth across our society. In order to reshape the narrative towards what kind of growth we strive for, Volt stands for the adoption of indicators that transform and go beyond GDP to holistically inform policy-making towards sustainable prosperity. These indicators would include environmental and social well-being measures.

An integrated effort at the European level is needed to coordinate what data is collected and how it can be used to make better, more balanced, and evidence-based policy. These indicators should be grounded on a social foundation (housing, sanitation, health, education, leisure, ...) met within planetary boundaries (climate regulation, biodiversity, ...). In addition, these indicators should not only cover the well-being of the current people in Europe, but also how the well-being of future generations and people elsewhere in the world is affected.

This new growth paradigm is necessary to reconcile economic prosperity with environmental sustainability and societal well-being.

#### **Green energy**

Europe needs to invest to enable the transition to a more sustainable future. For example, Europe needs to diversify the energy production mix away from fossil fuels towards clean and renewable alternatives. Volt wants Europe to direct its industrial policy towards the creation and production of green technologies, such as renewable energy sources and nuclear power. In addition, Volt wants an integrated European smart energy grid, connecting the many green energy producers with energy consumers, and wants to enable the production and selling of energy by individuals. Lastly, Volt aspires to protect citizens with a low income from extreme energy prices.

### **Sustainable transportation**

Europe should invest in clean and sustainable transport infrastructure, with a focus on public transport, electric mobility and cycling. Volt wants Europe to invest in continent-wide infrastructure plans to connect Europeans through an extensive rail system. These ways of transport will be crucial to connect local, regional, national, and international communities across our continent, while reducing the polluting effects of transportation. These investments will also help us improve the health of our citizens and work towards achieving the WHO targets on air pollution, physical activity, and green space availability.

### **Production standards**

Volt supports a carbon tax or emissions trading scheme across all sectors of the economy, including aviation, agriculture and imported goods. Effective carbon pricing on all greenhouse gases helps reduce carbon emissions required to produce goods and services. On the other hand, investing in practices with carbon-negative potential, such as forest protection, agroforestry and the use of bio-sourced construction materials, can further help with the sustainability goals, while introducing added value to the economy. By enforcing production standards for sustainability and worker rights for products produced within Europe and imported goods, Europe can ensure a level playing field for European industries as well as promote more sustainable production and fair working conditions across the world.

### **Corporate responsibility**

Companies have a great responsibility to drive the decarbonisation of our economy. Thus, companies should be required to report on their environmental impact. Europe should incentivise companies to actively contribute to the protection of the environment through, for example, mitigation measures. In addition, the environmental impact of companies should be limited by strict environmental regulations. Volt also supports public-private partnerships to decarbonise.



## **4. A truly European ambition**

To unleash the potential of Europe's economy and ensure convergence amongst its member states, we need to go beyond a borderless economy, to a truly pan-European one. At Volt, we believe that this requires creating a European finance ministry that directs fiscal and trade policy on the EU level, lifting all barriers within the single labour market, updating the mandate of the European Central Bank, completing the banking union, and setting up a framework of European strategic autonomy for basic goods and services.

### **European fiscal policy**

Volt promotes the creation of a European finance ministry, reporting to the European parliament. This ministry would have the ability to use spending and tax instruments to direct fiscal and trade policy for the European Union. This fiscal integration will support Europe's ability to respond to strategic challenges and improve the resilience of the European economy. To ensure the availability of sufficient funds beyond federal taxes to finance European tasks, Volt wants to institutionalise Eurobonds, through which Europe can borrow in the capital market.

In the long-run, the European finance ministry would have at its disposal the full range of federal tax tools. However, in the short-term Europe should focus on pan-European policies that aim to resolve continental issues first, using such instruments as external tariffs, a financial transaction tax, emission trading schemes and a carbon tax on imports. Volt also strongly supports the creation of a European corporate tax. This corporate tax will ensure that all multinational companies with activities in Europe pay their fair share of profit taxes and that these companies no longer shift profits across or outside of Europe to avoid taxation.

### **Economic security and fiscal responsibility**

A European fiscal policy can ensure the stability of the European economy as a whole, but the economy should also be supported from within by member states. The Stability and Growth pact agreed among member states aims to ensure the stability of the European Union from within, but with little success. Volt wants a federal Europe to support member states in dealing with their systemic problems while institutionalising more effective tools to guarantee that they maintain a balanced budget in structural terms.

Until then, the pact needs to be reformed to better serve its original purpose to preserve sustainable public debt of the member states. At the same time, the pact should provide room for countercyclical government spending during economic downturns and budget savings during economic booms. This spending policy stabilises

economic growth, provides better social security, and reduces excess public debt and the burden of interest payments for future generations. The European Union should enforce these rules by withholding EU funds during times of growth without destabilising member states during an economic downturn.

### **Free and fair trade**

Trade policy must also become truly federalised. Using the weight of the whole continent in an intelligent way, the EU can both increase the welfare of citizens via free and fair trade, as well as promote its goals in the rest of the world. By enforcing production standards, such as for oceanic pollution, sustainability and worker rights, on its borders, the EU can create a level playing field for its firms and ensure protection of the global ecosystem and workforce. The EU should also support other countries with achieving these demands to ensure fair trade, in particular developing countries that are not able to afford living up to high EU standards.

### **A European labour market**

The European labour market is uneven and while some regions have many people who are unable to find paid work, other regions are in desperate need of more hands. Volt wants to remove all barriers to form a single labour market to allow free movement for Europeans within Europe. Thus, the labour market legislation needs to be streamlined to make it easier for people to move, work, and live across borders. Europe should ensure that in an open labour market the wages are fair and adequately compensate for the work done. To avoid brain drain, skilled workers should be encouraged to work and live anywhere in Europe, but particularly in areas that are struggling to maintain their population and attract new talent.

### **Immigration**

An open European labour market should also offer fair opportunities to immigrant workers from outside of Europe. Doing so would help our economy thrive by countering the decline in workforce due to the ageing population. This requires a transparent and welcoming immigration system, with a particular focus on effective integration policies, which also assure human rights, human dignity and fair treatment.

### **A complete European banking union**

European firms should be able to draw funds from across Europe independently of the place where they are established. Volt supports the finalisation of the European banking union with a common retail deposit insurance and the establishment of a truly pan-European financial system based on centralised regulation and supervision. A fair, transparent, and efficient legal system, independent supervisory institutions, and effective law enforcement are required to effectively combat corruption, money laundering and tax evasion.

## **The euro and the European Central Bank**

To expand the common market of the European Union and improve the flow of products and investments across borders, the euro should be introduced in all member states. Volt urges all countries to try and meet the necessary standards to adopt the euro as soon as possible. The member states that so far have chosen not to adopt the euro should also join the single currency. A possible future digital version of the euro issued by the European Central Bank (ECB), could facilitate electronic payments with public money. Volt believes that such a digital currency should meet strict standards in terms of safety and privacy before its use should be considered.

The European Central Bank is responsible for maintaining low inflation for the euro area and reports to the European Parliament. The mandate of the ECB requires an update to reduce the negative distributional effects of European monetary policy. A dual mandate must be enacted that will include high employment in the ECB's goals. Volt expects the ECB to support the economic policies of the European Union and enhance the role of the financial system in mobilising capital for sustainable investments.

## **Strategic autonomy**

Europe must ensure its strategic autonomy, its ability to act freely in response to geopolitical changes and tensions. The European economy should be strategically self-sufficient in basic services and crucial production industries. This will require European industrial policies to reduce risky dependencies on external economic relations. In addition, Europe should expand and promote existing and new European production industries and research facilities to diversify internal supply of essential products and drive innovation. Already existing European policies that ensure open strategic autonomy, such as those focused on food production, should be made fairer and in line with planetary limits. Aside from food production, these policies should also be applied in other sectors, such as raw materials, and manufacturing in different important areas such as energy, electronics, and pharmaceutical goods. Additionally, Europe should invest in reinforcing a joint defence industry to ensure that its defence capabilities are not hindered by outside factors.