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THE STATE
OF THE UNION

CONFERENCE PROCEEDINGS

Building a People's Europe

4-6 May 2017 ▪ Florence

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Conference proceedings

The State of the Union 2017: ‘Building a People’s Europe’

Last updated: 24 July 2017

These conference proceedings of the 7th edition of The State of the Union will appeal to all who attended the conference or anyone interested in European affairs.

The State of the Union conference, organised by the European University Institute (EUI), is an annual event for high-level reflection on the European Union (EU). It has become a reference point in the EU agenda for policy-makers, civil society representatives, business and opinion leaders, and academics. Presidents, Prime Ministers, Foreign Ministers, as well as the President of the European Commission and the President of the European Parliament have taken part in the event over the years. In times of crisis or instability, a clear and nuanced multi-level understanding of the EU’s successes, failures and challenges is crucial. By offering a moment for key actors to meet and reflect on Europe’s most pressing issues, The State of the Union conference responds to this need.

In 2017, The State of the Union, under the title *‘Building a People’s Europe’*, revolved around the theme of **European Citizenship**, a multi-faceted topic of acute relevance across all EU member states. Sessions dealt with the future of citizenship; direct democracy and populism; the impact of the global refugee emergency on Europe; the financial crisis; the labour market and the free movement of people; and security, in a broad sense of the word.

Topics:

- The Future of European Citizenship
- Direct Democracy, Referenda and Populism
- The Free Movement of Persons and Social Solidarity
- The Global Refugee Emergency
- The Economic and Monetary Integration of the EU
- State Secrecy and Security in Europe

The 2017 State of the Union Conference *‘Building a People’s Europe’* took place in **Florence**.

Thursday, 4 May	Full day conference at the Badia Fiesolana
Friday, 5 May	Full day conference at Palazzo Vecchio
Saturday, 6 May	Open day at Villa Salviati

Note from the proceedings author: These conference proceedings do not contain literal transcripts. All speeches should be checked against delivery. Any errors are to be attributed to Scientific Coordinator of The State of the Union 2017, Emmanuel De Groof, who compiled the presentations. These proceedings cover the plenary sessions of Friday 5 May in Palazzo Vecchio. Video recordings of the parallel sessions of Thursday 4 May are available [online](#).

The following texts have been edited for readability, and references have occasionally been added.

Friday, 5 May 2017

Palazzo Vecchio – Salone dei Cinquecento

09.00 – 09.15 Welcome – Salone dei Cinquecento

[VIDEO \(EN\)](#)

[VIDEO \(original languages: IT and EN\)](#)

Dario Nardella, Mayor of Florence

Abstract: Nardella focusses on the role of culture and cities for European integration, and announces a summit of cultural capitals in Florence during 2018.

Report: Florence is a place of humanism, both for Florentines and Europeans. If we want to know more about a ‘People’s Europe’, we need to concentrate on the role of cities. The etymology of citizen comes from ‘civitas’. Cities are places where citizens have a place, where they can discuss. In times of uncertainty, people turn to national identities. Bob Kennedy, on 18 May 1968, said “the GDP can measure everything, except for those things that make a life truly worth living”. Our integration cannot be based only on the elimination of physical borders in the Schengen area. We need a direct involvement of EU citizens in EU institutions. There is need for a **horizontal integration**. As a city, Florence is committed on municipal and metropolitan level in various areas, including on culture, environment, etc.

In the presence of President Juncker, I can repeat that in 2018 I will host a **reunion with all cultural capitals of Europe**¹. Culture must be a real item on the European agenda. Europe is first and foremost a continent based on cultural pluralism – only then is it also a political union. Given its cultural vocation, the EUI, forty years ago, was founded in Florence. Its academic community constitutes a heart of knowledge, a centre of scientific production. This is why the **School of Transnational Governance** is so important. This project has the city’s full support. It will fill an academic gap felt even beyond Europe. It will be a tool to form a single European ruling class. In an age in which popular opinion makers are pushing us towards fear, we have to reiterate that our intention goes in another direction. We have to cruise towards the future. Now, more than ever, we need more Europe!

Monica Barni, Vice-President, Tuscany Region

Abstract: Barni recalls the successes of the EU, and calls for increased investment in the EU.

¹ Cf. for more information, in Italian : <http://www.lanazione.it/firenze/politica/state-of-the-union-1.3088665>.

Report: The EU represents **60 years of peaceful cohabitation**. The region of Tuscany has contributed to ending the dark ages, and to initiating the Renaissance.

The French elections [second round on 7 May 2017] will be crucial for the future of France and Europe. The European project must continue to grow. The EU is about the cooperation of democracies. The Commission's [White Paper on the Future of Europe](#) of 1 March 2017, with reflections and scenarios of EU27 by 2025, shows us in which directions the EU can evolve [note that President Juncker, in his speech below, explains that these scenarios may be combined]. This document contributes to public debate in Europe, which is crucial.

The EU should not be perceived as a union of elites, but as a democratic construct built after the horrors of the Second World War. After 60 years, the EU must be renewed, without undermining the EU's founding values. The EU evolved from 6 to 28 (minus one in light of Brexit) states. This is, in itself, a success. At the same time, per country, the investment in the EU, which used to be more than 1% of the gross national product per member state, has decreased to 0.9% of the gross national product per member state.

The investment in the EU should be increased once again. Regional integration should be a cornerstone of that policy. There can be no step back in the integration process - this would have negative effects for the young, entrepreneurs, agriculture, and small and medium enterprises. We belong to the greatest single market in the world. The EU is the biggest transnational project in the world and in history. The European Parliament and European Commission should not take any steps back in this regard.

Leonardo Bassilichi, President, Chamber of Commerce of Florence

Abstract: In a very brief intervention, Bassilichi explains that the Chamber of Commerce of Florence represents more than 100 000 businesses. He thanks the EUI for organising The State of the Union.

Renaud Dehousse, President of the EUI

Abstract: Dehousse emphasises the importance of intellectual pluralism.

Report: The European University Institute was created a little more than 40 years ago. Why is it called like this? The answer, as often in European matters, is because there was no agreement on the Institute's creation: half university, half research centre. It was supposed to be a crucible in which intellectual traditions and cultures of European countries were to be confronted. Out of this confrontation, new ways of thinking emerge.

The EUI is not bound to one school of thought. It is the home to a wide variety of thoughts. Intellectual pluralism is an asset in light of the difficulties that beset Europe. This constitutes one of our key missions, but pluralism is not enough. We need to develop new forms of relationships to the broader public so everyone can benefit from the ideas generated by the intellectual community. The need to reach out to a larger audience. This is why the wide variety of actors is very much welcomed. We need to ensure the widest possible debate on the future of Europe. Europe has long lived on a 'permissive consensus,' but this is no longer the case. For some it is a source of fear, frustration or even anger. Against this background, debate is essential.

[VIDEO \(EN\)](#)

[VIDEO \(IT\)](#)

Note: The written text in original language (Italian), which served as the basis for the speech, is available [online](#). Below follows a report of the interpreted intervention (in English).

Abstract: Alfano recalls the benefits of the EU (notably, 60 years of peace) and asks for more attention on the Mediterranean, common defence and a ‘social Europe’.

Report: The 15th century *Salone dei Cinquecento* of the Palazzo Vecchio, in which we are now, is a place of culture. I am grateful to the EUI for organising The State of the Union. It is a privilege that the EUI is based in Italy. In this way, Italy and Florence can still feed the geniuses of our time, exactly as the Renaissance has done here by placing the human being at the centre. Likewise, we **need to place the European citizen at the centre**. ‘*Civis romanum sum*’ [a Latin phrase meaning “I am a Roman citizen”] is a phrase Cicero used as a plea for the legal rights of a Roman citizen. It emphasizes the link with citizens’ rights. In June 1963, Kennedy indirectly referred to this phrase with his famous “*Ich bin ein Berliner*” [a German phrase meaning “I am a citizen from Berlin”]. Today I can say: *Civis europeus sum*. I am a European citizen! This must be our greatest pride.

Born in 1970, I have only known peace in my lifetime. My father experienced war. Actually, most generations before my father also experienced war. I am the first in my family to have only experienced peace in my lifetime. This peace has a name: Europe. It would be a mistake to consider these achievements as ‘irreversible’. During the second World War millions of people died. After a few decades, we have created the **largest institutional experience in human mankind**. The largest area of freedom and democracy with civil rights and without capital punishment. An economic continent which constitutes the **largest export power** in the world.

Of course, our continent is not problem-free, but we have the intention to solve the problems we face. Europe today is the outcome of the Greek and Judaeo-Christian culture. We know that, wherever we go in Europe, we can peacefully pray to our Gods. This **respect for pluralism** is an achievement we should not underestimate.

It is time for the EU to **rediscover the Mediterranean**. The *Mare nostrum*. It’s a small sea, almost a lake. Yet in that lake, we are facing the destiny of the world: smuggling, terrorism, stability of continents. We must revive what our founding fathers had promised: peace and prosperity. In order to renew this promise, we must deal with globalisation and current challenges, including through human rights protection. Italy is proud to be on the right side of history by saving refugees. In doing so, we have reiterated our belief in human rights.

The objective of reaching peace reminds us of one of the EU’s initial mistakes: the impossibility to build a defence community. With such a community, the EU would have more clout. Our common defence is a new challenge to EU. The Mediterranean gives us an opportunity to **revitalise the common security and defence**. Furthermore, we need to look in the eyes of the 50 million unemployed and explain

them that Europe is the solution, not the problem. This is why I believe in the so-called [Juncker plan](#) [i.e. the **European Fund for Strategic Investments**]. We need a Europe that can compete in the world. We also need to focus on the social aspects of Europe. The [Rome declaration](#) of 25 March accentuated **the social aspect of Europe**. We need to focus on growth to solve unemployment.

In all of this, the EU is not only history. It remains a project for the future. Italy is among the countries that founded Europe. Now, our political continent must make important choices. There is a long list of candidate countries in the Western Balkans. At the same time, the UK has decided to leave the EU but not Europe. This is the contradiction in times of globalisation. In one hemisphere we continue to think of the EU as a solution, but another hemisphere claims the opposite. The challenge is to save EU from those who think the EU is a problem. Italy is ready to revitalise and to save Europe to continue along the lines of peace and prosperity.

9.30 – 10.00 *Address by **Antonio Tajani**, President, European Parliament*

[VIDEO \(EN\)](#)

[VIDEO \(IT\)](#)

Abstract: Tajani asks for more attention on EU-Africa relations, common defence policy and the re-industrialisation of Europe.

Report: The European University Institute has contributed over 40 years to public debate in Europe. This debate takes place at the right time. The creation of a School of Transnational Governance is a necessary step for the EU to be more competitive. Look at the Eurobarometer survey.

For the first time after 2007, citizens have more trust in the EU again. Italy has also seen a shift in the trend despite of a number of people being sceptical. Look at the elections in The Netherlands, Germany, France. There has been an improvement economically, but we need a model to protect half a billion people [the more than 500 million EU citizens]. Despite terrorism and the high youth unemployment, despite the tragedy linked to migration, citizens need institutions which can protect them. Only EU institutions can do this. **The distance between those perceived with responsibilities and citizens must be reduced.** Brussels suffers from too much bureaucracy.

Peace, freedom and democracy are certainly values, but there is a to-do list emerging from the debates in the European Parliament. We have to face the unhappiness that exists. Citizens turn to populist forces because they feel they don't have hope. This is a warning we must understand. Why do many citizens choose this? We need to do all we can to solve their problems. On 25 March 2017, all members states signed a political document. President Juncker's document on budget policy was presented to the European Parliament a few months ago. We need to revert a trend. We have to **change the way in which we see the budget**. We see it as depending on our economic availabilities, but we must be more **results-oriented**. How can we use the budget to solve the migration crisis, combat terrorism, etc? In addition, the EU must have its **own resources**, perhaps through direct citizens' taxation. The EU is doing much to solve the migration crisis, but the issue must be addressed as it roots in Africa! The European Commission has thus

proposed an **investment plan in Africa**². We need to set up camps in Southern Libya. We need to invest in growth in Nigeria, Somalia, Ethiopia, DRC, etc. In light of the desertification in Africa due to climate change, we will face biblical movements from South to North if we do not invest in Africa growing. We need to invest in Africa as if we were Africans ourselves. We need to **invest in the ‘investability’ of Africa**. It’s not only about commerce. The European Parliament has invited the President of the AU Commission and the UN Secretary-General to discuss what can be done to solve the issue of migration at its roots. We must stop turning the Mediterranean in a graveyard. We should strengthen our solidarity with Africa by making agreements with Africa countries (e.g. as Italy recently did again with Libya). The European Parliament will dedicate two days to come up with tangible proposals to the Council about investing in Africa and facing migration. We need the political will for this. We need a common European policy for that. The same goes for European security and defence. We face terrorism undermining security in Europe. This cannot be solved by closing borders. In a time in which foreign fighters are coming back from Mosul and Raqqa, defeated fighters want to ‘win’ in EU. This is why **increased intelligence cooperation** is much needed. A **European FBI** must be created.

Let me turn back to the debate on a common defence policy. Intelligence cooperation is a matter of standards. We have a large variety of guns with different ammunition and different IT systems - there is not enough coordination. Such coordination is also needed in the Balkans, the Middle East and Latin America (incl. Venezuela). We need to raise our voice!

We also need economic diplomacy. Europe is a source of growth and stability. Furthermore, the social pillar: market social economy. The Single Market is a major achievement. But what do we need the market for in the first place? It is a way to increase the wellbeing of our citizens and to reduce poverty. That’s why market economy is needed. We need a **market with rules** though. I don’t say this as the former industry commissioner, but we need to **reindustrialise Europe**. Without the real economy this is impossible. 20% of GDP should go that objective. The competitiveness of the steel and ceramic industry must be safeguarded. We demand a level playing field with trade rules (e.g. antidumping in relation to China). **Businesses must be protected by the EU**. The trade agreement with Canada will create further wellbeing. Agreements with Eastern countries are also discussed. And we hope we will be able to discuss a free trade agreement with the US. The ‘made in’ label must be a guarantee for quality. A ‘trialogue’ agreement will offer tangible solutions.

I trust the mediation capabilities of Michel Barnier, the chief Brexit negotiator [cf. his intervention below]. He is the right person in the right place. With his leadership and with the support of members of the European Parliament (including Roberto Gualtieri), the negotiations, which surely will not be easy, must serve a priority: protecting the 3 million EU citizens living in the UK and the 1 million UK citizens living in Europe. Michel Barnier must first concentrate on the general framework agreement. Of course, being a member of the EU is not the same as being out. There is no ill will in saying this; it is just a fact. The European Parliament will welcome a government which has a strong mandate from its people [a reference to the expected

² https://eeas.europa.eu/headquarters/headquarters-homepage/9799/eu-unveils-external-investment-plan-boost-investment-africa-and-eus-neighbourhood_en

result of the later UK elections of 8 June 2017]. It will be detrimental to everybody if we are not able to reach an agreement. This is a responsibility both vis-à-vis British and EU citizens. The distance between institutions and citizens must be reduced. This is our responsibility. I will try to reinforce the role of 700 MEPs in discussing the fate of half a billion EU citizens. For that, we must reaffirm our values, including freedom. Every citizen is born free. Even the worst criminal is free to repent until the last minute. This is why we are opposed against death penalty. This is also freedom. The freedom to debate. The freedom of culture. Sharing culture is the reason why the [House of History](#) of the European Parliament was created. Money for culture and science is always well-spent because ignorance is the opposite of freedom.

10.00 – 10.30 *Address by Jean-Claude Juncker, President, European Commission*

Note: The written text in original language (French), which served as the basis for the speech, is available [online](#). An interpretation (in English) of the comments follows below.

[VIDEO \(EN\)](#)

[VIDEO \(IT\)](#)

Abstract: Juncker explains that the scenarios of the White Paper can be combined and calls for increased solidarity in Europe.

Report: English is losing importance in Europe. And since France will have elections [elections of 7 May 2017], I will express myself in French. I grew up close to children of Italian migrants in Luxemburg. I love Italy and Italians. I am happy to be hosted by the EUI, the prestige of which is recognised internationally. The research allows us to understand Europe better. The EUI helps us to better understand the issues and challenges we face. **We never discuss the successes of the EU. We talk about its shortcoming and mistakes, but its success are numerous.** In this valley of tears we are all criticised, offended. Whereas elsewhere in the world the EU is admired.

The EU is an extraordinary result which we owe to the generations which experienced war. After they returned from the battlefield, they transformed the war into a political institutional project. The enlargement process was not hasty or premature. It was our historical duty. Europe had to face the events in the 1990s. We were able to reunite through peace in the 1990s. This reunification is a true success – together with the Single Market. No one believed in single currency. Yet, we succeeded. The euro is now the second currency in the world. The euro protects us from external shocks. Think of what would have happened without the euro during the war in Iraq, Afghanistan, the attacks in NYC, the financial crisis. Had we left that task to the national central banks, we would not have been able to react.

Crises follow up on each other, but we are successful in addressing them. **Unemployment is declining – growth in the EU is twice that of the US.** So we can be reassured as far as the immediate future is concerned. In spite of these successes and the EU's growth, the UK decided to leave the EU. This is a tragedy and no small event. We should not underestimate the decision by the British people. **We will negotiate with the UK friends in full transparency. But it is not the EU**

abandoning the UK; it is quite the opposite. This difference will be felt over the next few years. Michel Barnier will give me the details. The EU has some weaknesses which partly explain the UK's referendum outcome. We may be afraid of the truth. The EU must accept that each policy is the result of the meaning between geography and politics. Europe is the smallest continent (the EU covers 5 million square km – compared to 17 million square km in Russia). We need players, protagonists who can serve the entire world. We are losing our economic clout with 25% of the global GDP. This will shrink to 15% in ten years' time. We will be a smaller continent. Our demographics will face a crisis. While our population represented 25% at the beginning of the 20th century, at the end of the 20th century, the EU will represent only 4% of the world population.

We need to further unite and increase our collaboration, avoiding past mistakes. **The EU has done too much, perhaps.** Too many rules, too much interference. The Commission has eliminated 100 proposals of the previous administration. We make 23 rather than 100 proposals per year. The intention is to improve the quality of the legislation rather than to legislate without limits. **Environment and foreign trade (30 million jobs depends on export) are priorities.** We focus on investment together with Werner Hoyer, with whom we have launched the [European fund for strategic investment](#) (formerly called the 'Juncker plan'). 180 billion euros have been invested. This is not only for big corporations. Thousands of SME's also in Italy are supported by this.

Another sector – **the defence sector – should also be invested in.** Europe should be able to defend itself. We spend 50% of what the US spends. So we should be effective. 75 types of weapons exist. Defence is based on national programmes. We can save a lot of money and improve our effectiveness. I hope other institutions can deal with this in an in-depth way, but a limited number of people are still hesitant. We need to speed things up. A European Army is not on the table but we need to do more for defence. European defence must have a place. The same goes for a **social Europe**, which is underdeveloped in Europe. We need to concentrate on this social dimension.

I will not elaborate on the European Commission's white paper here. It was not an act of courage to propose five scenarios, but one scenario would have been too dictatorial. These different scenarios allow us to discuss. There is a need to find the **right intersection between these scenarios.** The EU is more than just the internal market allowing for free exchange. **The EU is more than just money.** If we don't understand this, we will not only lose the market but also risk prosperity. Sometimes we do too much, sometimes too little.

The **great absentee in Europe is solidarity.** Italy, from the very first day of the migration crisis, has done everything it could do. Italy is saving the honour of Europe! We need more solidarity with Italy and Greece. They are not responsible for the geographic configuration – they just happen to be there. In April 2015, the European Commission has made some proposals about solidarity with those who cannot be left alone. But a number of member states did not respect the decision by the Council! It will be our **common loss if member states do not respect their own decisions!** Compliance must be taken seriously. People saying 'we do not accept coloured or non-Catholics' are wrong about the exact nature of Europe. In spite of this, and with our patience and determination, we continue trying. Long live Florence, Italy and Europe!

10.30 – 11.00 *The State of the Union Address - Still United in Diversity?*

Rainer Bauböck, Professor of Social and Political Theory, SPS Department, EUI

Note: The written text in original language (English), which served as the basis for the speech, is available [online](#).

[VIDEO](#)

Abstract: Bauböck explains what a common but differentiated citizenship entails and states that citizenship needs to be enriched with a social dimension and substantial duties

Report: Sixty years ago, with the signing of the Rome Treaty, the founders of the EU expressed their will to create an ever-closer Union. No end-point was foreseen. The project was to include all people of Europe. The mission was successful rather than accomplished. Today, open borders and Eurozone are at risk. So far, the EU has managed to answer these challenges - but the EU's future is uncertain. If we look at the five scenarios sketched in the White Paper, the **most probable option will be a multi-speed Europe**, under the assumption that all states will arrive at finishing line but at different intervals. Alternatively, this is called differentiated integration.

Is it time to give up on the idea of an ever-closing union? Transforming a loose federation into an integrated union is only possible through crises (cf. how Switzerland became a confederation or how the US evolved after the Civil War). Will the existential threat to the EU lead to more integration? Look at the answers to the crises: more integration, not less; the plan to relocate refugees among member states; the banking policy; the Council agreeing on a negotiating strategy for Brexit. On the other hand, there is the opposition on several dossiers: debt relief vs. austerity; the closing of borders. Brexit has united member states but we are only at the beginning of the negotiations. For these reasons, **differentiated integration is the most likely scenario**.

What is the source of unity in fragmented Europe? Member states will be at the helmet. There is a need for a **political union based on common citizenship**. Differentiated citizenship implies staying together while driving apart. What is the role of citizenship in this? The EU as a halfway house between a federation and confederation? There is a third, stable alternative: direct representation.

At the EU, there are two levels of citizenship. Member state citizenship is on the top while EU citizenship is on the bottom. This concept responds to the need for a **differentiated citizenship**. EU citizenship entails the right to vote members of the European Parliament and free movement of citizens. The last element cannot justify citizenship, but EU citizens do see free movement as their most important right.

Did free movement make citizens effectively more mobile? This partly succeeded. The movement between EU member states was low until it was boosted by Eastern enlargement. It also depends on what criteria you use. The percentage of EU citizens who, at a certain point in their life, used the free movement possibility and became connected to friends and family abroad is quite high. But **free movement has also become politically divisive**. Some member states fear that it erodes their national

welfare system. This argument was invoked to justify the vote for Brexit. Younger people experience Europe as an opportunity while older people associate it to a devaluation of their lifestyle, especially for those who feel left behind. This is also known as the globalisation cleavage.

EU social protection is needed and will not thrive with closed borders, but the model needs to take national social welfare systems into account. Does the EU pillar of social rights proposed by President Juncker cover only the Eurozone or all member states? The reflection paper on the social dimension of Europe proposes three dimensions [equal opportunities and access to labour market; fair working conditions; social protection and inclusion]. Besides certain rights such as minimum wages, citizenship duties should also be discussed. A duty-free citizenship will not contribute to a social Europe. **Direct taxation** as a basis for pan-European parties should be on the table, too.

The **strengthening of European democracy** has been a major achievement. The European Parliament has gained co-decision power but it has not gained legitimacy. This is partly because the primary level of citizenship depends on the level of member states. In addition, there is a **global democratic recession** as the turnout for elections decreases and popular parties (or central parties adopting similar policies) pose main threats: they are undemocratic by excluding people. This risk to shrink and hollow out the EU.

In Hungary and Poland, democracy has declined (cf. the research by Freedom House). Look at what happened in relation to the Central European University [in 2017, the Hungarian parliament has passed a bill on restricting foreign universities, targeting the Central European University].

The EU has legal instruments to combat democratic backtracking. Art. 7 of the Treaty on the European Union allows for the suspension of voting rights in the Council in case of a clear risk of a serious breach by a member state of EU values³. But **overt breaches of EU law can be avoided by populist parties**. Recent elections have been fought over European integration.

Unity in diversity is a motto applicable to each member state: It expresses a quintessential democratic value. Democracy is the only form of government which can be accepted as valuable. All societies of member states are diverse within their borders. Populists deny this. But the diversity within the EU runs much deeper.

Citizenship needs to be enriched with a social dimension and substantial duties, to prevent the risk of hollowing out EU. EU citizenship must include a democracy guarantee

³ “1. On a reasoned proposal by one third of the Member States, by the European Parliament or by the European Commission, the Council, acting by a majority of four fifths of its members after obtaining the consent of the European Parliament, may determine that there is a clear risk of a serious breach by a Member State of the values referred to in Article 2. Before making such a determination, the Council shall hear the Member State in question and may address recommendations to it, acting in accordance with the same procedure. [...] 3. Where a determination under paragraph 2 has been made, the Council, acting by a qualified majority, may decide to suspend certain of the rights deriving from the application of the Treaties to the Member State in question, including the voting rights of the representative of the government of that Member State in the Council. [...]”

11.00 – 12.15 Morning Session I

The European Union at Sixty

[VIDEO](#)

Chair

Federico Romero, Professor of History of Post-War European Cooperation and Integration, Department of History and Civilisation, EUI

Speakers

Roberto Gualtieri, Member of the European Parliament

Eirini Karamouzi, Lecturer in Contemporary History, University of Sheffield

Alina Mungiu-Pippidi, Professor of Democracy Studies, Hertie School of Governance, Berlin

Tibor Navracsics, Commissioner for Education, Culture, Youth and Sport, European Commission

Abstract: This debate on the visions, achievements and unfulfilled promises of the EC-EU revolves around three issues, formulated as questions: In which ways has the EC-EU fulfilled the key goals set at its foundation? Has the EC-EU substantially changed its nature and mission along the way? Can the EU in its current state respond to challenges emerging from the transformation of European society and the global context?

Report:

Federico Romero: This year, we are celebrating the 60th anniversary of the Rome Treaties. There is no comparison between the situation before and after the EU, which represents an era of peace and freedom. But this self-evident truth is not attractive anymore. People today concentrate on their vulnerabilities and fears. Exclusionary definitions of society based on race and culture gain attraction again. Clearly, progress is never linear.

Roberto Gualtieri: The ‘community phase’ until the 1992 Maastricht Treaty has much delivered in terms of prosperity and peace. On the political level, the Franco-German reconciliation has been achieved. The market integration has been installed. And there is a cooperative hegemony with the US. The originality of the EU construction lies in its foundational political will. By and large, the community system has been successful. The integration by law has functioned well. Philippe van Parijs mentioned the economic conditions for successful interstate federalism. Hayek [an Austrian-British economist and philosopher] predicted that the transfer between member states would be difficult, but integration by law has been instrumental for the social market economy. The question remains whether, after the 1970s and the 1992 Maastricht Treaty, Hayek’s prediction is right?

Eirini Karamouzi: The EU was conceived as anti-hegemonic, not as an anti-nation state. In this it succeeded. The EU is actually about rescuing the nation state (cf. the reunification of West and East Germany). The EU has been fending off globalisation effects. It protects us from globalisation! These are the EU’s achievements.

Alina Mungiu-Pippidi: We must return to the objectives of European integration as

the founding fathers envisaged them. They were realistic: it was about pulling resources together to solve problems (Jean Monnet). They never thought of the 'need for history'. They thought of pragmatic instrument to prevent crises. The Founders were rather successful in this. With modesty. It was also about creating an international regime of norms to protect minorities, women, etc. Theresa May said that, with Brexit, she wanted to drop the European Convention of Human Rights. This is very upsetting. What shall we now say to dictators? The protection of the weak is the EU's proudest achievement.

Tibor Navracsics: What are our successes? The EU reached a number of strategic goals: the emancipatory role of integration, Eastern enlargement, the political and economic stabilisation of the continent. But we are facing the backlashes of the implementation of policy goals: the crises in agricultural policy and the monetary crisis. One neglected aspect of European integration concerns culture, in a broad sense of the word. Education, sport and community issues. Robert Schuman knew very well that without a community based on culture there is no survival chance for European integration. This problem is rooted in lack of even a flexible framework for cultural interactions. There is need for a better understanding of our diversity.

Roberto Gualtieri: The 1992 Maastricht Treaty was a decisive turning point. Behind this treaty there are two events: the Bretton Woods collapse [1972 - 1981] and the end of a cooperative agreement between Germany and the US. This made the euro both necessary and possible and allowed for the evolution of the common market into the Single Market (Schengen). This, in turn, allowed for the deepening of the justice, security, and liberty area. EMU [Economic and Monetary Union] was a fragile construct. Notwithstanding these mistakes, it contributed to the flexibility and resilience of the EU construct. But the construct is not sufficiently strong for social models to survive. This must be on the agenda. One part of the problem is thus more about policies than institutions.

Eirini Karamouzi: The mission of the [formerly called] European Community has changed. The main goal of the founding states was to achieve peace and prosperity; the accent was not on democracy. After the collapse of southern dictators in the 1970s, the candidate countries considered the EU as an anchor of democracy. EU integration is a trial and error process. The main turning point was in the 1970s indeed with the collapse of Bretton Woods: the EU stopped being a protector against globalisation and became an enforcer of globalisation. This contributed to the imbalance between the political and economic legs of EU integration.

Alina Mungiu-Pippidi: The European Community was conceived as an instrument to solve problems. The DG Research came up with this idea about how to create European identity⁴, but not even in the EU's capital, Brussels, could EU citizenship be developed. Problems arose when the EU became an end in itself. When it created instruments to further itself. The euro is part of this. Look for example at the Deutsche Mark: a common currency is not, in itself, a convergence instrument. It will not address issues in competitiveness. Can the euro be an instrument to rationalise governance? This is contested: only 11% of Italians consider that their governance is better than before the euro. National governance is not changed with EU instruments. Fundamentally, Italy or Greece did not change through the adoption

⁴ Cf. for example https://ec.europa.eu/research/social-sciences/pdf/policy_reviews/development-of-european-identity-identities_en.pdf.

of these EU instruments. Estonia, for example, did quite well before joining the EU: they were more liberal than several EU countries. The way to operate your government is difficult to change! Look also at EU budgets going to the fight against corruption in Ukraine, or for the promotion of the rule of law in Turkey. Does it work? Top-down imposition (even through conditionality) does not work. We need to be more humble. We need to learn from what happened in the past.

Tibor Navracsics: The original mission of the EU is the same as in the beginning, but the context and data are changing. Originally, the European project adopted a neo-functional assumption: if we start close cooperation in one area, this will spill over in other areas. We have to launch auxiliary projects to underpin the original mission. Look at what happened after the launch of the European project: the empty chair politics during the 60s⁵. The 80s: the European Single Market but also Erasmus and European cities of culture! The original mission has been rendered complex by additional data.

Federico Romero: Do we have sufficient resources to address the challenges the EU is facing?

Roberto Gualtieri: Yes, we do. The strong political bond underlying the EU should not be underestimated. Its strength should not be underestimated. An incremental economic and monetary completion of the EU without a fiscal federation is possible. The Juncker Commission is the first political Commission. It introduced a new way of negotiating the Commission's programme taking the input of political groups into accounts. In collaboration with the EIB, the so-called Juncker plan is actually working. Actually, the EU is not currently performing badly. It has sufficient fiscal capacity to absorb shocks. Construing a good fiscal policy, social cohesion and economic coherence is feasible with the instruments we have!

We should further encourage the interconnection between national and European politics, between the European Parliament and national parliaments. During the next European elections, EU citizens will pay more attention to the European Parliament since its powers have increased! There is a politicisation of the dynamic. This will surely help addressing the issue of trust.

Eirini Karamouzi: I think Roberto Gualtieri's remarks are a bit of cosmopolitan wishful thinking. It is in the first place at the national level that economic efficiency must be improved. The process of European integration has been a slow process. We cannot predict the future. The re-launching of the EU will be the result of national events interlinking with international context. The current survival mode can proceed for a while, but will it evolve in a 'continuous crisis'? Since the 1980s, we have entered an era of hyper-globalisation. The question is, how should we act in this context? How will you win over public sentiment: through an elite-driven globalisation or by accentuating the role of the nation-state? In all this, communication can be powerful. Not only the message but also the messenger must change. The primary of the nation-state must be accepted and power must (partly) be relocated to the nation-state.

⁵ "In 1965 France announces it will not attend Council meetings due to disagreement with negotiations on the financing of the Common Agricultural Policy. The crisis is later resolved thanks to the 1966 Luxembourg compromise, which implements unanimity voting when major interests are at stake". Cf. <http://www.consilium.europa.eu/en/history/19650701-empty-chair-crisis/>.

Alina Mungiu-Pippidi: If the EU is currently ‘entrapped’ the question becomes: ‘who should do something?’ The European elite? They are not sufficient. And there are feelings against ‘us’. **Those who promote Europe are those who benefit most from it. We cannot continue with a system where the winners are the promoters.** We need to forge an alliance. We need to think out of the box. We look at the solutions in restricted groups and do not even realise how confined we are. The question thus is: who comes together to discuss? We suffer from different bureaucracy mechanism. We are spending structural funds for convergence in Europe. But the money is spent only to reinforce local elites! N.B.: there has never been a negative evaluation of how EU money is spent in Sicily. The problem thus resided in the methodology We need to go to the people. Furthermore, we need to do PR for elites. The Eurobarometer show scepticism. We need to privilege Scandinavian ‘elite’ lifestyle with politicians riding their bike to work. We need to give the impression that we are here to serve Europe. Otherwise a populist elite will simply replace us.

Tibor Navracsics: We have sufficient resources to lead Europe. But we need to re-empower local communities. EU integration is very much a top-down process. Local and regional communities must be empowered. The EU should become more of a community of communities. In this way, we give more chances to local inventions and traditions. We shouldn’t forget that inventions made Europe big. A ‘community of communities’ will make the EU more flexible. **The components of European globalisation are European inventions, Europe’s cities and universities, and its free thinking and spirit.** We should rediscover the importance of these elements.

Q&A with the Audience

Q: A question for Tibor Navracsics: you mentioned the importance of cultural integration and of universities. But how did you react to the potential closure of the Central European University (CEU)?

Tibor Navracsics: The Commission has launched an infringement procedure against Hungary. The CEU is a very important component element in the EU Higher Education Area but accreditation procedures remains a competence of member states!

Roberto Gualtieri: The European Parliament has taken a strong stance in favour of the CEU.

Q: Erasmus has changed people’s lives, but what do you do besides educational programmes to bring citizens closer together ?

Tibor Navracsics: Erasmus is also about creating a European identity. Hence its importance. The multiannual financial framework is now being negotiated with member states. The aim is to make the programme more socially more inclusive. We have to invest in mobility and bringing people closer together.

Alina Mungiu-Pippidi: The so-called Whiter Paper of the Commission laid out five options for the EU’s future. In that paper, ‘worst case scenarios’ are missing though. Hence my question: what would be the EU’s survival scenario? The scenarios as currently laid out in the Whiter Paper will not solve root issues.

Eirini Karamouzi: We have to think about all potential issues, including the dissolution of the EU. The key is to be creative and flexible.

Roberto Gualtieri: The EU is a union of member states. But also more than that, it is a union of citizens. Nation-states are predominant, but the EU goes beyond that. And the EU cannot be there only for cosmopolitan young students! We need to think of the EU's social model and the balance between national and EU components. We are not just in a survival mode. **We should go for a combination of the scenarios presented in Juncker's White Paper: a multi-tier Europe but within the EU framework.** Eventually, we will bring EU to a closer integration.

12.15 – 12.45 *Investing in Europe*

Werner Hoyer, President of the European Investment Bank

Discussant: **Klaus-Dieter Frankenberger**, Foreign Editor, Frankfurter Allgemeine Zeitung

[VIDEO](#)

Abstract: Hoyer focuses on the investment gap (700 billion) and the need to spend wisely. He states public debt should not be avoided as long as investments are strategic and commends the paradigm shift in spending of the Juncker plan.

Report: Florence is a place where the boundaries of philosophy and politics have been explored. It is the city of the intellectual pioneers of the Renaissance. They could have taken a negative view on their times, given the famine and war of the previous years. Instead, they took a leap of faith. They did not concede to the dark times.

Congratulations to the European University Institute for choosing the theme 'Building a People's Europe'. The European citizen must indeed be at the heart of the debate. This is also the goal of the European Investment Bank (EIB). Man is the measure of all things. The end-goal of the European construct is to create better lives for all European citizens.

This year we also celebrate the 60th anniversary of the Rome Treaties. It is also the anniversary of the signature of the founding document of the EIB [the EIB was established under the Rome Treaty]. Think of the EU's achievements: integration of Eastern Europe, a rapid response to the financial crisis, the creation of a banking union. 1.7 million commute from one country to another every day, whereas borders confined us in the past. Think of what we achieved!

Challenges go hand in hand with opportunities. We must advance relentlessly. Since the beginning of the financial crisis, uncertainties were looming. First, they were economic, then they were policy-based.

Investment is one of the core solutions. It requires and creates confidence at the same time. The EIB is the only bank owned by 28 member states to implement their policies. With 507 billion euros on the balance sheet it is by far the **biggest borrower and lender in the world.** As a crowding-in bank, the EIB is crucial to mobilise private money for public purposes. Consider the considerable **investment gaps** in

Europe. We must raise the efficiency and effectiveness of available public resources. President Juncker knows the EIB from inside out. When he placed his bid for President of the Commission, he asked an analysis from the EIB. On this occasion, the EIB identified an enormous investment gap in the EU. How do you measure this? By taking the targets set by the European Council, and compare them to the figures provided in public and corporate budgets to reach these targets. Some examples:

- In the field of energy efficiency and security, there is a funding gap of 100 billion euros per year;
- In transport there is a funding gap of 80 billion per year;
- On the digital agenda, we should fill a funding gap of 65 billion per year if we want to reach our targets;
- In education facilities there there is a funding gap of a 3 digit billion number;
- In water security there is a funding gap of 90 billion per year.

In addition to what is planned in public and private budgets, there is an overall investment gap of **700 billion funding gap per year!**

If the millennium development goals (MDG) and the 2015 United Nations Climate Change Conference goals (COP21) are to be reached, the investment gap is even wider. It is not possible to close the investment gap, making the EU more competitive, with public money alone. **And this is not even necessary. Money is abundantly available** (especially in light of the zero or negative interest rate). Liquidity is available. **Insurers and money funds are actually swimming in money and are desperate to invest.** So why does the money not go there? Regulatory barriers and risk aversion block investors.

The basic tenet of the Juncker plan is to **shift the budgetary resources from grants and subsidies to guarantees and loans.** This is the trick of the Juncker plan. The European Commission, the European Council, and the European Parliament are ready to shift 60 billion euros from subsidies to guarantees. This represents nothing less than a paradigm change in the use of the budget. This is paired with better spending. 50% of the time, 58% of the targets have been achieved. Thus the Juncker plan works! This is not a miracle. It is simply about the reallocation of budgetary resources. We shift from subsidies to a better strategy. **We need the courage to do the same in agriculture, transport and external relations.** We will not be able to do it with grants and subsidies alone considering the objectives we set for ourselves.

What are the activities of the EIB? Innovation, research development, and education in the interest of the citizen. **30% of the EIB's annual budget goes to small and medium enterprises (SMEs). The EIB has also been active in the fight against youth unemployment.** Look at the situation in Greece: the EIB has provided trade financial facility for Greek SMEs at a time where no banks were available. Before the crisis in Greece, the EIB was the only available bank.

The Juncker plan has changed the DNA of the EIB. It has contributed to the increase of riskier lending by the bank (25 billion). Two thirds of the companies the EIB works with are new clients. **Most of the money made available through the Juncker plan has gone to countries of Eastern, South-Eastern and Southern countries.**

Our political leaders found out that we do not serve the interests of the EU by being blind to problems abroad. The EIB lends 8 billion euros outside Europe. We must now focus and coordinate better. Here, a paradigm change of how to use the budget is also necessary. **A Juncker plan for activities outside of Europe is also needed.**

The bank is now in a dynamic situation, and will continue to work in a cooperative spirit and by adopting a multilateral approach.

Q&A with Klaus-Dieter Frankenberger

Klaus-Dieter Frankenberger: The Juncker plan will contribute to closing the 700 billion gap you mentioned. It is a success. A capital increase of the bank would have been the easiest solution. The Juncker plan is based on three pillars: guarantee facility, increase in advisory capacity and the removal of artificial boundaries to investment. There is a big appetite for the plan. The strategy also consists in supporting the SME sector. But SMEs have difficulties finding finance. This is also because venture financing in Europe is underdeveloped. We need to do more and in a different way. Here is my question to you: are the EIB's activities instrumental to enhancing the legitimacy of the EU?

Werner Hoyer: We need to better explain what we are doing. We need to tell the good stories about Europe. E.g. the fact that the EU contributes to better access for financing of SMEs. We should be more aggressive in addressing the public about success stories.

Klaus-Dieter Frankenberger: What do you think of Brexit?

Werner Hoyer: Brexit is a big mistake. The UK owns 60% of the capital but also of the liabilities of the bank. And particularly the UK relies on the EIB! The UK has helped us in reaching climate change objectives. I hope it will be possible to cooperate in the future, but the UK will also need to leave the EIB.

Klaus-Dieter Frankenberger: What if Le Pen wins in France? [Presidential elections of 7 May 2017]

Werner Hoyer: I will not directly address this question. I will only say this: after the terrible year of 2016, I am rather confident that the elections in Malta, the Czech Republic and Germany will go well. 2017 can become a good year.

Q&A with the Audience

Q: What are you doing to reduce the digital gap among SMEs in Europe? 75% of SMEs in Europe are not yet digitalised.

Werner Hoyer: Not all member states are ambitious enough about the digital agenda. When John Kerry was still US Secretary of State, he mentioned that access to fast internet is a human right⁶. Our digital obligations go far beyond what we are doing now. We **need to invest in the digital landscape**. Our biggest problem today is the lack of capacity to process data. E.g. autonomous driving will require this in the future. Furthermore, there are **twenty-seven separate defence budgets** but there

⁶ <https://www.voanews.com/a/text-of-john-kerrys-remarks-in-seoul-on-open-and-secure-internet/2776139.html>

is no coordination. We can **get more out of the buckle by harmonising**. Ten years ago, with the green bonds⁷, we made a big step. This is a huge financial market. Issuing bonds in the defence sector, e.g. in defence research, would be an intelligent step as well.

Q: How can we re-build confidence?

Werner Hoyer: We must believe in the sustainability of what we are doing. We need more aggressive investment activities and consolidated budgets. **It's about better, not more, spending!** Public debt should not be avoided as long as we invest in strategic areas. We have lost in growth and competitiveness since the financial crisis, and the water is rising. The return to growth rate is very slow. 'Where do we spend more' is the key question!

Q: Do you still believe in the idea of Ever Closer Union'?

Werner Hoyer: Yes, I do believe in that idea, as long as it is balanced. The balance between subsidiarity and solidarity is crucial. These are the two principles of the integration process! Only 50% of Europe's GDP is produced along the rules of the internal market. National interference sometimes goes too far. Continuous balancing is needed. We cannot be a victim of globalisation. We must be a shaper of globalisation.

14.45 – 15.00 *The Florence Declaration on Citizens' Rights and the Brexit Negotiations*

EU Citizens' Rights: a Priority for the Negotiations with the UK

Michel Barnier, EU's chief Brexit negotiator

[VIDEO](#)

Note: The written text in original language (English) which served as the basis for the speech is available [online](#). An interpretation (in English) of the comments follows below.

Abstract: Barnier had identified three priorities for the Brexit negotiations: borders, 'settling the bill' and protecting EU citizens' rights. In his *Florence Declaration on Citizens' Rights and the Brexit Negotiations*, Michel Barnier focuses on the latter priority.

Report: I will speak in English as I wish to be understood by the British people.

The State of the Union has become a major forum for debate. A debate on the future of European citizenship is needed, now more than ever. I will speak today about the rights of EU citizens. Free movement of peoples lies at the heart of European citizenship. This was extensively discussed during the Brexit campaign. Now it seems this principle is under attack. In 2004, the UK immediately opened its borders to foreign labour. Studies show **the positive impact of open borders**: more efficiency, more choice, and the possibility to find the right talent. This contributes to growth. EU citizens contribute to taxes in UK – more than they benefit from it.

⁷ For some context : http://europa.eu/rapid/press-release_IP-16-4217_en.htm

The four freedoms are indivisible. The integrity of the Single Market will not be compromised in the negotiations. This fell on deaf ears during the Brexit campaign, which focused on welfare tourism.

We should not allow populists to take the political debate hostage. But we should not ignore deeply felt opinions and reactions. People across Europe fear the principle of free movement. The solution lies in a **fairer labour market**. The solution is not to restrict free movement. Stopping free movement will not benefit social welfare. In the UK, the labour market will not be filled with UK citizens only. Access to a labour pool is a necessity!

Let's talk about the Brexit negotiations. The EU is ready for this. **The EU Council negotiation guidelines form a firm basis for the negotiations.** It is clear what the EU intends to place on the table in June. **Preserving the rights of EU citizens and their families is the EU's priority.** The European Parliament has set exactly the same priority. Protecting these rights will be both easy and complex. It will be easy to agree on the general principles. It will not be as easy, though, to formulate these principles in detail, in a legally precise text.

Who should be protected and for how long? The cut-off date is simple and logical, i.e. when the UK leaves the EU. But protection should apply for the lifetime of all persons concerned: 3.2 billion EU citizens now work in the UK; 1.2 billion UK citizens work in the EU. We should also think of those who have lived in the UK in the past, and of non-UK family members living in the UK. Briefly, four points:

- The level of protection under EU law must not be watered down. Brexit should not affect daily lives.
- Equal treatment between UK citizens and EU citizens must be ensured.
- There should be clear guarantees that rights will be effectively enforced for UK citizens in the EU. The Court of Justice will see to that. In the UK, rights should be directly enforceable. The jurisdiction of the Court must be maintained.
- The right to stay: EU citizens in the UK must remain residents also without document to prove residency. No one should be confronted to red tape.

Some rights are at stake. Let me give examples:

- A skilled Polish worker for BMW working in UK: will he still have right to pension, even if he goes back to Poland? Under EU law yes.
- A self-employed photographer from UK living in Malaga goes bankrupt. Will he have access to welfare in Spain? Are these rights taken into accounts in the UK?
- A Greek engineer in the UK must be allowed to move her business / pension back to Greece if she decides to retire.
- A German worker in the UK must have access to welfare under the same conditions as UK nationals
- A Spanish widow of a UK national living in the UK must continue to enjoy the same rights
- A Scottish designer must be able to aggregate his pensions after returning to the UK.
- The son of a Polish worker in the UK must be able to go to school, under the same conditions as a UK national.

The withdrawal agreement must provide clear and affirmative answers to these

questions. Legal certainty is indispensable. This is a question of respect.

Post-Brexit, the principle of a single applicable law must continue to apply. This is a moral duty and political necessity. 27 member states must be reassured that all citizens are treated properly and humanely. Until we have this guarantee, we will not discuss with the UK. Otherwise, there can't be no trust when it comes to constructing a new relationship. For a new partnership to be solid and sustainable, it should be built on the base of mutual trust.

It is premature to discuss the details of a future relationship. Nevertheless, Brexit will entail consequences. This is not a question of punishment. It simply follows from the choice of the British people.

Peter, a PhD student from Essex, wishes to spend four months at the university of Thüringen with a 2020 grant. 2020 is after Brexit. He must make sure to have the right to reside. He may have to look into private health insurance without European health insurance card. This should be looked into as the UK is leaving the EU research and policy area. Universities wish clarity as soon as possible, but planning takes time.

The UK has agreements with third countries like Israel, Switzerland and Norway. Doing the same with EU countries will require another legal framework. Negotiations will not clarify this immediately. **In any event, first we need guarantees on citizens' rights.**

The only cause of uncertainty is Brexit. The only way to remove uncertainty is through an Article 50 agreement. I will approach our British friends constructively and amicably. But I will also be firm, backed by European Council guidelines and resolutions of the European Parliament. I will base myself on EU law and factual evidence. I will be as transparent as possible to create an informed debate. This will increase the chance of reaching an enduring agreement.

Let me conclude with a 'personal paradox'. I first voted when I was 21: I said yes to the accession of the UK to the EU. I even campaigned for the 'yes' – this was not easy for a member of the Gaullist party. I have never regretted that vote. I do regret the Brexit referendum. But now we must turn the page together.

15.00 – 16.15 Afternoon Session I

The Future of European Citizenship

Chair

Deirdre Curtin, Professor of European Union Law, Department of Law, EUI

Speakers

Věra Jourová, Commissioner for Justice, Consumers and Gender Equality, European Commission

Miguel Maduro, Founding Director, Global Governance Programme, EUI

Jo Shaw, Director of the Institute for Advanced Studies in the Humanities, University of Edinburgh

Philippe Van Parijs, Hoover Chair of Economic and Social Ethics, University of Louvain

[VIDEO](#)

Abstract: The panel looks at the question "is EU citizenship working?". The basic formula of European citizenship, as a supplement but not a replacement for national citizenship, is under pressure. Last year's Brexit campaign was driven by opposition to one of the most cherished rights EU citizenship provides: the free movement of people. This same free movement has created a new kind of undemocratic inequality, as mobile populations access more opportunities than those who stay at home, and draw primarily on their rights as national citizens. Moreover, as a bundle of rights without duties, EU citizenship has weakened citizens' engagement outside their own member states. As Europe considers its post-Brexit identity, is a 'patchwork Union' of differentiated integration the future for EU citizenship?

Report:

Deirdre Curtin: The debate on protecting citizens' rights goes beyond Brexit. This panel looks at the bigger picture. 'Building a People's Europe' is wider and deeper than Brexit or than what is written in the treaties. In 2016, President Juncker spoke of a 'better Europe' that protects the lives of European citizens. The EU is more than relations between member states. It amounts to a "special type of daily life" as it constitutes the social space to create patterns for social interaction and identification. It is an existential and institutional project. The EU protects irrespective of nationalities (look for example at data protection: this protects all data subjects in the EU, and not only EU citizens).

The Brexit negotiations are unique. They are different from any kind of international negotiations. President Juncker was explicit on the need for transparency with regard to the Brexit negotiations. There will be 'unique and unprecedented transparency'.

Věra Jourová: Today's topic is very serious. Michel Barnier presented the Commission's top priority: protecting the rights of EU citizens who will be affected by Brexit. People first! This is the right approach. This is a moral duty. One of our most important tasks is to renew stability and certainty for EU citizens living in the UK and for UK citizens living in Europe. **Take the Czech Republic as an example, and its divorce in 1993 from Slovakia.** This 'velvet divorce' constituted a good arrangement for the people. During the negotiations, we understood that we are 'twins'. This resulted in a strong partnership.

We will also manage to have a strong partnership with the UK. **To put it simply: we need each other and we will need each other.** This is one of the ironies of the Brexit referendum: it makes EU citizens more aware of the advantages of EU citizenship. It created discussion among the people. EU makes a difference in everyday lives. The focus is on the future of EU citizenship. The right to free movement is usually what is cherished most: consumers, pensioners, students, etc. We have stable data on travelling and working in Europe. Our children should also enjoy this. Free movement benefits the EU economy as a whole. GDP increased as a result of the free movement after the 2004 enlargement. In other words, free movement also benefits those who decide to stay home! It's beneficial to the overall economy.

Another aspect of EU citizenship is the right to take part in the EU's democratic

decision-making and the possibility to stand as candidates in local and EU elections. Many citizens do not make use of this right. The European Commission will inform citizens better about this right. **There is a need for better and higher participation in the next elections of the European Parliament.** Why does a right exist if people do not know about it? People even don't care, which is worrying.

The elections in France and the Netherlands resulted in an increased voter turnout. Europe is back at the centre of the debate. But I should warn against any complacency. We must continue the effort to make the EU as close to the citizens as possible. We need to increase the participation of EU citizens. Europeans must be aware of what they would miss without their rights. The European Commission will contribute through more public debates, town hall debates, etc. There is no need to convince the convinced ones. **We owe to speak to people directly! Go to pubs!** This is a good wake-up call. We need to listen to what people think. As a former national politician, I can tell that discussions with EU commissioners have a different tone!

In 2019, elections for the European Parliament will take place. This must be preceded by an awareness campaign on EU citizens' rights. The White Paper on the future of Europe sets out five possible scenarios. The future of the EU will not be decided in Brussels, but by member states. But we should keep on building on a strong sense of belonging.

Philippe Van Parijs: Since both President Juncker and Michel Barnier made remarks about the choice of language, I will also do so. I will talk in that mixture of French and German, sloppily pronounced, beautifully sung, commonly called **English**. It is a continental language that was exported to the UK in two waves. In the fifth century, the German component came from the Angles. In the eleventh century, the French component came from the Normans. After Brexit, this language will become **a language even more suitable for us Europeans to speak with each other**, because it will become a more neutral language. But a language that must become democratized urgently so the people of Europe can speak it and use it as a medium, use it as a weapon to coordinate and mobilise among each other.

A People's Europe is based on 2 pillars. **The EU should be built for the people not just for the elite. It should be built with the European people and not just through national constituencies or national peoples.** Today I will concentrate on the EU for the people.

'For the people' is the rallying cry for populism. The triumph of populism is a calamity, **but the threat of populism is a crucial quality of good democracies.** The threat of populism warns the rulers: they should not only look after their own interests or the interests of the kind of public attending The State of the Union. Interests and concerns of stay-at-homes must also be considered. Stay-at-homes perceive the EU as a threat to their jobs and professional security. They see the EU as a construct dismantling their security and the nation-state. They see EU rulers as a 'clique'. It is not surprising that they ask a restoration of their sovereignty.

Is it true that you cannot unscramble a scrambled egg? After Brexit this saying is not correct anymore. I believe the following observation is correct though: the euro was a mistake, but its undoing would be an even greater mistake. So should we wait for popular revolt? If the EU is not to persist in a road leading to chaos and suicide, it

must be perceived as a **caring Europe**. This will not be achieved by making more regulations with direct effect in national constituencies. Something else, unprecedented is needed: **a scheme of transnational and interpersonal redistribution**. We need it to stabilise the euro, EU demography and Schengen; to preserve the diversity and generosity of our national welfare states; to make it tangible to stay-at-homes that the EU is caring for them. Is a caring Europe radical? Not more radical than what Bismarck did at the end of the 19th century when he introduced, in order to unify Germany, the first social security in the world. There is no time, today, to discuss the form a transnational and interpersonal redistribution should take to make it politically sustainable. But at least the principle should be discussed.

What are the implications of this idea for the Brexit negotiations? One thing to sabotage the solutions to raising populism is to give a third state full access to the Single Market especially if this is combined with a competitive devaluation of the British Pound. **Do not allow the UK to free-ride on the advantages of the EU. Do not allow the UK to use tax competition on highly skilled workers, to suck the brain of the EU while leaving to it the task of receiving all migrants.**

Miguel Maduro: I will make one simple provocative point. **The way to make EU citizenship work is by making EU citizens pay for it.** When the concept of EU citizenship was created, we did two things: make pre-existing rights more visible by expanding on them, and creating new rights. This concept of EU citizenship never reached a particular group of citizens. One group sees itself as EU citizens and sees the benefits of EU. Other citizens are alien to that. The EU is not able to reach the second group of people. They see themselves negatively impacted by the EU. They don't understand the added value or benefits of this interdependence.

We should be able to explain how the EU is funded. We talk a lot about 'communication with citizens', but real communication with citizens is about **how policies reach citizens** and how the EU funds itself. This is how you make a political community. As Rainer Baubock said this morning [see the transcript above and the key note [online](#)], you **need to create duties, not only rights**. By sharing the burden of a political community you explain the *raison d'être* of that community. So we need to add the dimension of duties, which is fundamental to the EU. It will make the added value of the EU clearer.

Currently, the way the EU is funded is the poisonous tree of the entire EU integration process. We need to reverse the zero-sum logic which currently underpins EU funding. With the digital economy, the capacity of the state to tax is weakened or evaded. We need to reform our own resources. This will render EU citizenship more effective. This is the leverage to reform everything else. It will help us reconstruct the concept of EU citizenship.

Jo Shaw: Let me start by evoking an imperfect analogy. Were there to be a disorderly Brexit, would it be the greatest loss of individual rights in Europe since the breakup of Yugoslavia? I refer here to the democratic decisions taken by the former republics of Yugoslavia with individual right consequences. This undoubtedly caused suffering: deprivation of access to public goods, mobility, etc.

And if we assume that an Article 50 agreement will be reached, this may cause a proliferation of legal regimes. This does not only concern the EU27 member state

citizens living in the UK. It also concerns the 1.2 million UK citizens living in the EU. In addition, this also impacts the ‘EU immobiles’ - more than 60 million UK citizens! And of course the more than 500 million EU citizens deprived of the possibility to work in the UK as EU citizens. **We need to be clear that there will be implications for all of these categories.**

Even with an Article 50 agreement, Brexit will result in a mix of legal orders: the EU legal order, different national laws, EU human rights law and EEA and EFTA law. Private international law will also resolve many of the private and family issues. We should not underestimate the **complexity of legal orders**.

These matters should not be left with national or UK law. Since 23 June 2016, more information is circulating about the actual and potential implications of Brexit. There is more publicity about certain types of decision-making, e.g. about permanent residence documentation. Any bad case is a nail in the coffin of trust disappearing between UK and other member state. Look for example at the curious decisions on settlement cases and the frictions between UK immigration and EU law. This type of situations needs to be regulated at the transnational level. It cannot be enshrined just in British law.

Deirdre Curtin: The evolution towards a multi-speed Europe is important not only for the EU’s relations with the UK but also for the future of the EU itself. E.g. in the fields of security, defence, and democracy. We need to look at the bigger picture, i.e. beyond the implications of Brexit.

Q&A with the Audience

Q: The disillusionment about the EU has been invoked to justify Brexit. The EU’s impact is not tangibly felt ‘at the bottom’, for example in issues such as housing. The EU needs to work at the bottom level because this will create loyalty. Housing will create jobs which, in turn, will generate taxes.

Věra Jourová: Housing has become the victim of an unfruitful discussion: is it a fundamental right or an economic commodity? We need to invest part of the EU funds in housing. This was seen as a ‘negative priority’ in Brussels, which means, in plain: ‘Brussels doesn’t pay’. 350 billion euro from 2014 to 2020 have been distributed to member states. After 2020, we need to re-evaluate how these funds can be effectively distributed to the people.

Another priority concerns the creation of better conditions for working parents to allow them to better combine family and work duties. More EIB money should go into senior housing, crèches, etc. This is the social infrastructure. EU funds should be spent closer to the people. We are currently discussing new financial periods. If people know what they pay for, they become more devoted [in the same sense, the intervention by M. Maduro, above]. Also, the budget must be restructured. After Brexit, the EU will need to work with less money. This will make us think about *better* spending.

Miguel Maduro: The EU already pays for housing through structural funds. These funds can indeed be used for housing. In the US, what the federal government decides is implemented through its own agencies. In the EU, structural funds are used by member states - decisions are implemented nationally (through national

implementation mechanisms). This helps the EU ‘logistically’ and creates also legitimation, but it creates a problem of accountability: **EU citizens do not know that funds come from the EU.**

Deirdre Curtin: Indeed, there is a problem of disinformation.

Jo Shaw: But citizens must also inform themselves. Disinformation played a huge role in the pre-Brexit campaign. But **citizens also have the duty to inform themselves.** This is one aspect of the right-duty nexus of EU citizens.

Philippe Van Parijs: Housing must be dealt with at the most appropriate level under the principle of subsidiarity. What is the most appropriate level to deal with housing? The founding fathers wanted the EU to contribute to prosperity, including in the field of housing and social security. We need to create the conditions for structural support to national welfare systems, which haven’t functioned that badly until recently.

Věra Jourová: Do not underestimate the role of mayors and local councils. They decide on how to spend the money. This is why it’s so nice that people can vote in local elections abroad.

16.15 – 16.45 Cooperation and Partnerships, the European Way

Conversation with **Federica Mogherini**, High Representative of the European Union for Foreign Affairs and Security Policy and Vice-President, European Commission

Moderator

Roula Khalaf, Deputy Editor, Financial Times

[VIDEO](#)

Report:

Roula Khalaf: The US administration is questioning its traditional alliance with the EU. The UK is preparing Brexit. In addition, there is a crisis in the Mediterranean and the Middle-East, and unease in the Balkans.

Federica Mogherini: I have been to the US three times since the Trump administration took office. Is a transactional approach needed? I see challenges but also opportunities. I have seen a readiness and commitment in Washington DC to engage with the EU. During the first months of the new US administration, I have received an official visit by Mike Pence to the EU institutions in Brussels. This is unprecedented. I have good relations not only with Pence but also with the defence Secretary; National security Advisors; Congressmen and Congresswomen etc. We want to keep the US – EU relations strong. This is beyond question.

We have policy differences though: on the role of the UN (on the EU side, we still believe in peacekeeping and conflict prevention as an investment for our own security), climate change, free and fair trade as an opportunity and a protection for EU workers and consumers, and human rights (on the EU side, we see no conflict between our interest and values: investing in human rights will strengthen security).

At the same time, we have common interests, e.g. in Ukraine, North Korea and Syria. We should continue collaborating on security. There is common ground about what the EU can do to help member states to invest better on security. Europeans invest 50% of what the US invest in security but the output is 15% of the US' output because we lack economies of scale. So there is an interest on working together on security and defence while the EU must also attain some autonomy in this regard.

There is also an economic interest in working together. To all economic sectors across the Atlantic it is obvious that thousands jobs depends on the access of the US to the EU market. **So the EU is also indispensable for the US, not only the other way around.** On the basis of facts and figures, our US allies will easily understand that we risk a lot if we don't care about our reciprocal interests. We must be **strong reliable partners on big global issues in the world.**

In recent times, I have also visited **China, India, and Russia.** They all say that they **are interested in a strong EU, and that they wish to cooperate closely with the EU** on economy and trade, security, humanitarian development, sustainable development goals, climate change, and foreign policy, with common approaches on Africa, Syria, etc. The same message can be heard in Brazil, Canada, etc. because they know what to expect from us. We are predictable, reliable and strong: this is the added value the EU has which allows us to occupy the space we can.

Roula Khalaf: US President Trump is unpredictable. This may have been advantageous in the dossier of North Korea, for example. But does it also contain risks?

Federica Mogherini: I'm not sure this is the right attitude, even in this dossier. Perhaps afterwards we will find out this was not the right attitude. A responsible, useful way to act is always to be preferred over actions that get the headlines but may be irresponsible. Our objective is indeed to solve problems. The mix of predictability and unpredictability can lead to overreactions by partners. The EU way is not to follow this approach. The EU way, historically defined after the second World War, is to choose cooperation rather than conflict. This is the root of the EU and of the EU's attitude in foreign relations. You don't play with provocations. **A quiet and rational win-win approach, by building partnerships, is perhaps less sensational but more secure.** We need to get out of the zero-sum approach: "you win, you lose".

Roula Khalaf: You have been pushed to think more about defence and security, also because of the US' new stance on NATO [requiring EU allies to invest more in NATO].

Federica Mogherini: The work started really last year with the 'global strategy' after the British referendum⁸. It is surely better to stay together on security and defence. **We have advanced more in the last months than in the last decade,** even with 28 [the UK included], surprisingly enough! Why? First, **security has become number one top priority for EU citizens.** Second, because we have the tools to do much more on security and defence. E.g. in the Lisbon Treaty. After the financial crisis, Europeans concentrated on how to get out the financial and economic crisis. Now we can get back to the provisions introduced after the Lisbon Treaty allowing us to do things together. We do not have the luxury not to use them! So I have proposed an

⁸ Cf. <https://europa.eu/globalstrategy/en/global-strategy-foreign-and-security-policy-european-union>.

ambitious plan on security defence. In nine to ten months we must reach a number of military goals. We have defined a new set of operational proposals (battle groups / headquarters), and have worked out 24 concrete projects with the NATO. The NATO Secretary General and I have worked together on various issues, ranging from cyber to maritime security. A stronger EU defence will also benefit the NATO. In the field of defence, budgets are now used nationally. This results in a fragmented landscape. E.g. European drones: assets are owned by member states but used together. Working through the EU is useful not only for the member states themselves but also for the NATO and tax payers. We should overcome the ghosts of the past and abandon the perception that the EU and the NATO are different worlds. We can surely cooperate in some fields. In the EU, we always take an **integrated approach: humanitarian, civilian, military. There is not one single security threat that can be faced only with military means.** Hard power is sometimes necessary but it is never the solution for the problems we are facing.

Roula Khalaf: A question about the Iran dossier and the Iran nuclear agreement. Are you reassured that the US will not abandon the agreement. Do you fear that, if the US leaves the agreement, Iran would follow?

Federica Mogherini: I have discussed the Iran deal in detail with our US counterparts. It is an international agreement negotiated with countries like Russia, China etc., and monitored by the International Atomic Energy Agency. For the time being, Iran fully complies with its commitments – and the EU also has its commitments which are being complied with. The agreement cannot be dismantled only from the US side. The agreement belongs to the international community. The deal is working and makes our part of the world more secure. **The new US administration surely understands that it is not in the interest of our region to risk a different course.** The Europeans are strongly committed in keeping the deal going.

Q&A with the Audience

Q: Can the EU do more to coordinate intelligence in the combat against terrorism?

Federica Mogherini: We have already started to do more. Intelligence is of course a national competence. We are facing an additional complication: the intelligence works differently in member states. In this field, member states tend to be rather jealous. **After the attacks in Brussels and Paris, member states are more determined to share and coordinate about intelligence. There is a EU intelligence.** This work will be intensified. It will depend on the will of member states to acquire and share more information. We organise counter-terrorism dialogues worldwide to fight radicalisation. But the internal sharing of information should be increased. Again, this is a decision member states will take. We need to exchange on information and best practices with partners in the entire world with whom we share security concerns. In each of the 140 delegations of the European External Action Service, there are security specialists. This is a fruitful network.

Q: What is the future work of the EU in the polarized Balkans?

Federica Mogherini: The entire region of the Western Balkans is a top priority. I will work during the remaining 2.5 years of my mandate to **make the [accession] process irreversible. This is about EU integration in the very heart of the**

continent. We have to manage things, e.g. the refugee crisis and anti-radicalisation, together. On democracy and the rule of law we need a serious EU perspective. Recently, the situation was quite tense in Skopje [in the end of April, violence erupted inside Macedonia's parliament]. It is impossible to justify violence in parliaments. If the EU condemns violence in the legislature, this is not about pushing for any political coalition. It's rather about the rule of law and the proper use of institutions. Macedonia has a constitution; its president has specific responsibilities. There is a pattern to follow for these institutions. If you add an interethnic dimension to party politics, you play with fire. I met with the newly elected speaker of parliament [Talat Xhaferi]: there is a way forward on the basis of clear institutional responsibilities. We need to restart EU accession negotiations. This is how the EU encourages Macedonia. Young people are full of desire to have a better future within the EU. The EU is ready for collaboration with Macedonia beyond any party lines.

Q: What is the role of universities in addressing crises?

Federica Mogherini: The EU has the unique capacity to use a programme like Erasmus+ to build intercultural understanding. It also has the capacity to provide humanitarian aid, to bring Palestinians and Jews together. Yesterday, I was in the *ad hoc* liaison committee for Palestine. In the Middle East, the EU is the convening power recognized by all (Quartet, Arab League, etc.). The political process must be started again. President Mahmoud Abbas went to the White House yesterday – but what will be the next step? We need to create the conditions for Jews and Arabs to live together. Peace cannot be delivered if it is not demanded! A bottom-up approach is therefore necessary. Many committed civil society actors help us doing this work on a daily basis.

16.45 – 17.30 Afternoon Session II

The Global Refugee Emergency and Europe's Response

[VIDEO](#)

Chair

Anna Triandafyllidou, Robert Schuman Chair, Global Governance Programme
Research Area Director Cultural Pluralism, EUI

Speakers

Ayhan Kaya, Jean Monnet Fellow, EUI and Professor of Politics, Istanbul Bilgi University

Maciej Popowski, Deputy Director-General for Neighbourhood and Enlargement Negotiations

Joseph Weiler, Professor, NYU Law School

Abstract: The number of people seeking asylum in the EU has increased exponentially over the past few years. By 2015, there were a record 1.3 million asylum seekers in the EU. The emergency has led to controversial but also innovative political and policy decisions, such as: the imposition of relocation quotas, the creation of special border regimes for the processing of asylum claims, the prioritising of an EU foreign policy approach that aims to contain irregular migration and asylum seeking through various incentives and rewards to origin and transit countries. At the same time it has also been clear that the refugee flow was

so large as to endanger the very political stability of the EU. This panel takes a critical and comprehensive approach towards these developments, seeking to assess what has been achieved and what the crucial challenges are for the present and future, both at the European and global level.

Report:

Anna Triandafyllidou: The refugee crisis is not a crisis. It's here to stay with us. So we need to bring in our interests and values in the debate. It's a structural issue with its positive and negative effects. On the positive side, one might mention the (relative) transnational solidarity among member states and non-member states in supporting refugees, and greeting and welcoming them. On the negative side, I should mention the raise of xenophobia both in countries accepting and refusing refugees.

What is the context of the refugee emergency?

- Look at the compulsory relocation quotas. During 2015, President Juncker and High Representative Mogherini have put their political weight behind the compulsory relocation quotas. But there is the issue of implementation.
- The reform of the Dublin system⁹ has also come to the table.
- The temporary suspension of Schengen in 2011 (against the background of tensions between Italy and France) broke a taboo after the 2011 revolts in North Africa.
- The creation of EU border and coastguards. This needed a final push to be created.
- Cooperation with origin and transit countries. This point has been reiterated in several EU documents. This has become a cornerstone for the EU managing the challenges of migration and asylum.

Against this background, citizens, but also experts and policy makers have questions. Is the EU-Turkey statement replicable, with Afghanistan or Libya for example? What are the human rights challenges and what challenges does the refugee emergency pose?

Maciej Popowski: Migration and its management are complex issues. It's not only about numbers (2.48 Syrians in neighbouring countries other than Turkey; 3 million Syrians in Turkey) but also about real people. We want to respect our obligations, and need to find the right balance between (various) objectives and the instruments to reach them. There is need for solidarity. Migratory pressure must be reduced at the origin. And the livelihood of those in transit must be improved. Voluntary returns should be promoted.

This is all easier said than done of course. The **need to increase partnerships with origin and transit countries** was reiterated at the Valetta Summit in November 2015. Our tools: security and defence missions (e.g. the one in Southern Mediterranean to break the smugglers' business model); rescuing people at sea (humanitarian efforts). **We have been forced to be more innovative about our choice of instruments:** EU trust funds; refugee facilities in Turkey. These instruments allow us to be quicker. E.g., under the facility for refugees in Turkey

⁹ For more information, cf., for example, here :

[http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/586639/EPRS_BRI\(2016\)586639_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/586639/EPRS_BRI(2016)586639_EN.pdf)

(March 2016): we spent 800 million € in less than three years for people in need. Activating so high a budget in little time is very quick for EU standards. Only 10% of refugees in Turkey live in camps. 70 schools were installed for 50.000 people in Turkey. The hottest phase of the emergency is over: after the deal with Turkey, there has been a 90% drop of crossings over the Mediterranean.

Now we need to focus on North Africa again. There were 180 000 crossings last year. There was also a 10% increase from the first four months of this year compared to the same period last year. A deal with Libya similar to the one with Turkey is not possible [unstable government]. We must therefore **invest in naval operations and in improving the Libyan coast guards**. This will bring results at some point. In addition, detention centres should be rendered more humane. **Work at source, in the countries of origin, is of course key**. The essence of a sound development policy is to **implement the ‘Juncker plan’ outside the EU’s borders**, for the ‘external world’. We must bring in private investment in Sub-Saharan Africa and North Africa. Without this approach, we will not be able to reduce migratory flows. Classical development aid remains indispensable though.

Migration is here to stay. People are much more mobile. They want better lives. This is a top priority which cannot be solved by EU institutions or external instruments alone. This brings us to the question of solidarity and burden-sharing between states, and to the reform of the Dublin system, EU coastguards, and the UN Compact for refugees and migrants.

Ayhan Kaya: Turkey was not well prepared for the welcoming of refugees in April 2011. But the Foreign Minister still adopted an open door policy because the civil war in Syria was not expected to last long. They expected at most 100 000 people. Now Turkey hosts more refugees than any other country in the world. They host more than 3.5 million, out of which 3 million are of Syrian origin. This is the picture in Turkey.

The authorities created the disaster and emergency management authorities. In other words, they perceived refugees as a ‘disaster’. Backed by their experience in handling the 1999 earthquake (which killed 17 000 people in northwest Turkey), the authorities have been quite effective in handling the refugee emergency. The crisis was managed very well. Another institution was also created: the general directorate of migration management. Arguably, the way Turkish authorities responded to the refugee emergency is the most successful expression of the ‘Europeanisation of Turkey’. The migration field is the domain in which Europeanisation has been most effective. The authorities listen to each individual refugee. Services in several languages are provided. A fully-fledged integration policy is however missing. Now we are trying to come up with a solid policy proposal about integration.

UNHCR has been active in creating and managing refugee camps. Camps are not a good resolution of the refugee crisis. Some camps in Africa are forty years old! This is a delicate matter for EU bureaucrats: do not invest in camps. In Turkey there are 22 camps. Only 9% of the refugees live there. The others live in big cities or in the region.

The EU-Turkey statement is an important one, with certain repercussions. The statement was criticised by the pro-European segment of Turkey society as an interest-driven deal for the EU. The value-based component of the EU suffered from this.

A word about the ‘emergency social safety net’ (ESSN) [‘On 8 September 2016, the European Union announced a ground-breaking humanitarian programme in Turkey. Up to one million of the most vulnerable refugees will be able to meet their basic needs by receiving monthly cash-transfers via an electronic card’¹⁰]. More than one million Syrian refugees now use this bank card, spending 30€ each per month. The management of refugees in Turkey is governed by the 1951 Geneva Convention, but the convention has geographical limitations [‘Turkey retains a geographic limitation to its ratification of the 1951 U.N. Convention on the Status of Refugees ("Refugee Convention"), which means that only those fleeing as a consequence of "events occurring in Europe" can be given refugee status’¹¹].

As a result, people from bordering countries are considered as guests. Syrians are received on the basis of Sunni Muslim affinity. You can criticise this, but this is probably the bottom-line of the Syrian refugee crisis. The term ‘Ansar’ (in Arabic) is often used. It means ‘helper’. This is the term Turkish politicians (the President, the Prime Minister, etc.) use. ‘Ansar’ refers to the local inhabitants of Medina who welcomed the Prophet Mohamed in Medina when he was escaping atrocities by the Quraysh tribes in Mekka. There is a resemblance between this story and the story of the Syrians. This is not rights-based rhetoric at all. It is based on the benevolence of the Turkish state vis-à-vis Syrians. I am not sure this is a sustainable rhetoric especially since, recently, we see several incidents of emerging tensions between pan-Arabic nationalism and Turks, under the following discourse: ‘what are these people doing here, they should have been fighting against the enemies of the nation?’. In the EU context, among supporters of populists parties, there is a similar discourse. The refugee crisis of Syria is sometimes compared to the one of the Second World War. During the Second World War, refugees were mostly women and elderly people. Today, we see youngsters as refugees.

We should convince the EU public that the Syrians living in Turkey are not willing to come to Europe. I have consulted studies showing this. In Istanbul, there are 550 000 refugees: only 1.6% of Syrians want to go to Europe. This is far less than what we all expect. Another study indicates that 90% of Syrians are willing to come back to Syria when the war is over but only 5% of them want to go to Europe. Those who are going to Europe from Turkey are not Syrians. 73% of non-Syrians who are mostly young males are willing to go to Europe.

Finally, the EU should continue to encourage Turkey’s road to democracy, freedom of speech, accountability, and good governance. The continuation of the integration process will help lifting the geographical limitation to the 1951 Geneva Convention¹². Lastly, visa-free travel from Turkey into Europe will re-install faith of Turks in Europe.

Joseph Weiler: Let me turn to history, especially since amnesia is a European specialty. In 1941, a ship left the coast of Romania with 800 Jews escaping Nazi Europe. The ship ‘Struma’ arrived in Istanbul. The Turkish government said it would allow the ship to anchor on the condition that another state, anywhere on the planet, would confirm that it would accept these 800 Jews. Not one single country in the

¹⁰ http://europa.eu/rapid/press-release_MEMO-16-2989_en.htm.

¹¹ <https://www.hrw.org/reports/2000/turkey2/Turk009-10.htm>

¹² Note that, in June 2017, the EP has passed a resolution asking for the suspension of the accession negotiations in light of a potential change of the Turkish constitution: http://www.standaard.be/cnt/dmf20170620_02932795

world was willing to accept them. So the ship was pulled back in the Black Sea and drowned, sunk. All but one of the passengers on board died, except for one, who passed away in 2014. Why did no country want to accept them? The usual arguments: ‘they are not like us, they believe in another religion, etc.’. There are moments in our personal and collective lives that we know what is the right thing to do. The only question is whether we will do it or not.

I will disaggregate and not speak about Europe. Outside of Europe, there is a partial role of honour for Jordan, which accepted 1.4 million Syrian refugees. Despite not having the resources, they did not close their gates. Turkey accepted 3.5 million refugees. President Erdogan simply said: these are our brothers, we will not close our gates. In Europe there is criticism on the refugee camps in Turkey. But the fact is: they did not close their gates. The same is true of Italy. They did not close their gates. Germany and Sweden are also on the role of honour. These countries did not close their gates. I will not mention the role of dishonour. But you are familiar with it.

The logic of the EU was impeccable. If refugees from war, say two million, were distributed proportionately, it would not represent 20% of the population as in Jordan, or 1.5% as in Turkey. It would be less than one percent of Europe’s entire population. **It would be less than half one percent of Europe’s entire population! Is anyone seriously telling me that Europe could not absorb half one percent of its entire population, in doing what everyone knows should be done?**

Let me give another historic example on the so-called economic refugees, the people who simply want a better life elsewhere. Between 1900 and 1920, 100 years ago, between 18 and 20 million Europeans sailed to the US. They were economic refugees, they wanted a better life. Five million Germans, Eight million Italians, Irish, etc. Were they welcome? Sort of. They didn’t speak English, they were Catholic ... *quelle horreur!* [ironic tone]. There was no social security but no one in the US gets social security. But the fact is: the gates were open! They were accepted. These are our grand-parents or great grand-parents.

These two historical tales give us the context to reflect on how we are behaving and how we should behave in this matter. One last point. One of the finest moments at the EUI was when a group of administrators and researchers came to me and said: we, too, should do something. We housed a dozens of refugees, trained them, accommodated them. It’s a drop in a bucket. I’m not even pretending that if every hospital, high school or university did the same, this would solve the problem. But what are we going to tell our children when they will ask us: how did you face this moment of truth in the history of Europe?

Anna Triandafyllidou: We are trying to build a Europe of peace and prosperity. The difficulty however is: the more prosperity you have, the more difficult it is to share.

Q&A with the Audience

- Q: What is the solution for non-accompanied minors fleeing countries plagued with war?
- Q: I am concerned with the anti-immigration amendments in Hungary. It’s more than a problem of rhetoric: Prime Minister Orban refers to NGO’s as smugglers!

- Q: Do you think secular structures in Europe should be reformed to make them more accommodating for religions? The lack of accommodation is tacitly based on the religion Syrians follow, deemed culturally incompatible with European values. At the same time, parading around with a cross is deemed compatible with Europe culture while not being in sync with secularism.

Maciej Popowski: Last year, the number of unaccompanied minors travelling from North Africa, Egypt and Libya increased. UNICEF and the IOM, close partners on this issue, do not ignore this problem. But the international community doesn't have access to transit countries, in particular in Libya. Few organisations can have a role on the ground. NGOs are our partners of choice. The EU remains open-minded even vis-à-vis NGOs who criticise the EU, for example on the EU-Turkey deal.

Ayhan Kaya: I will also react on the issue of unaccompanied minors. One of the biggest challenges in Turkey today concerns child labour in international textile companies. These companies employ Syrian children. In addition, there is sexual abuse of young minor children. This is another overlooked problem. The majority of these people live under the hunger threshold (400€ per month). Children have to contribute to household incomes. Our priority is to give everyone [adults] access to labour market (urgent); access to citizenship; access to education.

Joseph Weiler: I haven't seen a more positive attitude towards Christians migrants from Africa (than towards other religions). And when someone is drowning in the sea, you don't push him in the water because s/he belongs to another religion. I lived in the US, in a suburb of Detroit called Dearborn. It is the largest Muslim community outside of a Muslim country, and it is fully integrated in the US society. So I don't buy it that because of your religion you couldn't integrate.

17.30 – 18.00 *Perspectives on European Integration after the Rome Declaration and the European Commission White Paper*

*Conversation with **Sandro Gozi**, Italian Secretary of State for European Affairs and **Ann Linde**, Swedish Minister for EU Affairs and Trade*

Moderator

Stefano Polli, Vice-Director, Agenzia Nazionale Stampa Associata (ANSA)

[VIDEO \(EN\)](#)

[VIDEO \(original languages: EN and IT\)](#)

Note: Before the conversation takes place, a video about the Single Market is being shown.

Abstract: In their conversation, Gozi and Linde emphasise the importance of a social Europe and of (EU-internal) respect for the rule of law. Gozi reiterates the ideas of a common European subsidy against unemployment and transnational lists in the European Parliament while Linde refers to the forthcoming social summit in Sweden on 17 November 2017.

Report:

Stefano Polli: The EU is not only about problems or failures. It also represents successes: the Single Market is an example of a great success for Europe. It's about the free movement of goods, services, people and also ideas – and about a Europe without internal borders! Of course, the job is not finished. The European leaders should do more for the European people. We are trying to find a **social dimension** of the Single Market by building new social policies for Europe. What do you think of a social Europe? How can we develop Europe's social dimension?

Ann Linde: **A social Europe is one of the most important things for the EU** to deal with. Since the financial crisis which started in 2008, people have only heard about the need to 'save the banks' and 'strengthen the banks'. No one says, 'let's take social responsibility, let's think of a more social Europe'. We can see the gap is widening between regions, classes, and people even in the same towns. The EU could do much more when it comes to this. This also has to do with the labour market. Decent work is an issue to be included in a 'social Europe'.

President Juncker mentioned a **social summit in Sweden on 17 November** [together with President Juncker, Sweden's Prime Minister Stefan Löfven will host a Social Summit in Gothenburg on 17 November 2017, focusing on promoting fair jobs and growth¹³]. Heads of government and social partners will be part of it. We will not have a social Union without engaging labour organisations, employers, etc.

Stefano Polli: Sweden is in a position to contribute to a social Europe – Italy is as well.

Sandro Gozi: Europe's worst enemy is fear. **We need a Europe that can offer protection and safety.** Social protection is key to reconnect with European citizens. This is why Italy works with the Swedish government in light of the social summit in November. This is also why a social Europe was mentioned in the Rome declaration. We cannot close the gap between the EU and its citizens if we only talk about the currency – and of course we want to hold on to the European currency. But we need to fill a social Europe with contents. The goal is (also) to reach a social union. We proposed a **common European subsidy against unemployment**, which should go hand in hand with national subsidies. This is also a way to fight social exclusion in suburbs.

President Juncker mentioned this morning that the so-called [Juncker plan](#) [i.e. the European Fund for Strategic Investments] is working. Italy is the main beneficiary of this plan. This should also benefit social policies in cities' suburbs. Social and cultural integration is a necessity and an instrument to fight insecurity. This is something else we wish to work on. We should use the Europe we have at its best. The Erasmus programme is a huge success story. We have to invest ten times more in the Erasmus programme, also by including youths traditionally excluded with the intention to combat youth unemployment. **A social union can multiply job opportunities!** This is why Italy supports the social pillar of the EU. We want to make a difference. The social summit of 17 November should result in the formulation of specific goals.

¹³ <http://www.government.se/government-policy/social-summit-for-fair-jobs-and-growth/>

Sandro Gozi: The EU has a lot of issues and challenges to face in the next few years: the migration emergency, the deep financial and economic crisis which is still not finished, etc. Against this background, the question of the European values and principles is as relevant as ever. Is there (sufficient) respect for the rule of law in all member states?

Ann Linde: There is a new impetus in the cooperation between the North and the South of Europe. Sweden pushed colleagues to take in social issues in the Rome declaration. It worked together with Italy on this.

As far as the **respect for the rule of law** is concerned: in the past this was only an issue when a state wished to enter the EU. I refer here to the Copenhagen criteria [the accession criteria¹⁴], including respect for the rule of law, democracy, and human rights. Negotiations with countries evolve in 23 or 24 chapters. And these issues [the Copenhagen criteria] came always last. A few years ago, we noticed that some member states are not following these criteria! This was quite a wake-up call. But the European Commission and the European Parliament have new instruments at our disposal. In November 2016, the Council had its first discussion on this. I think we should take a tough stance on these matters. **If member states do not follow fundamental European values [democracy; rule of law], this should have clear consequences.**

The European Commission initiated an **infringement procedure** against Poland, but Poland refuses to implement guidelines from the European Commission and the Venice Commission. Sweden has asked the Maltese presidency [which lasts until 30 June 2017] to open a larger discussion on this topic. Last week, an infringement procedure was initiated against Hungary. Reducing academic freedom notably by threatening with the closure of the CEU should not be tolerated. Values constitute the soul of Europe. We have to protect it.

Stefano Polli: The difference in Europe is not between north and south or right and left, but between those who want to build Europe and those who want to close it. Minister Linde mentioned the Copenhagen criteria and the situation in Poland and Hungary. She also referred to the freedom of expression. What is your take on this?

Sandro Gozi: Since 2014, Italy and Sweden have been working together on these issues. Europe is the only continent with contents, based on fundamental values and the rule of law. **Compliance with fundamental rights is integral to the Single Market.**

You cannot be part of EU in order to receive funds for regional development but then refuse to be part of it when it comes to asylum rights. **Solidarity on asylum rights and migration is a central theme we need to deal with now.** You cannot have a very demanding Europe on issues like debt and deficit (correction of budget), and a distracted Europe when it comes to key problems and fundamental values.

The issue of Poland [democratic backsliding by Poland's Law and Justice] must be discussed in the Council. There is a risk of violation of fundamental rights. The EU must protect all citizens when governments violate their human rights, as is

¹⁴ For more information, consult : https://ec.europa.eu/neighbourhood-enlargement/policy/glossary/terms/accession-criteria_en

happening in Poland and Hungary. The independence of Constitutional Courts; the freedom of press: these are **fundamental values which are integral to the internal market**, and the credibility of the EU depends on it. Illiberal democracies are the opposite of what has happened since World War II. Of course, I hope things will turn out well in Hungary and Poland. But as a member of the governing council I have to talk about this. I have worked with the Maltese Presidency on this issue.

About solidarity, Italy has formulated proposals and Sweden follows a similar approach. There is need for consistency. **Solidarity in Europe has to be a two-way street**. It's not only about regional development funds which become part of your economic success but also about solidarity on migration issues; issues of rule of law. After the 2020 budget, new conditions will be introduced. Those who do not comply with fundamental rights have to have their European development funds suspended. European development should be suspended in case of violations of fundamental rights. The EU must be based on the rule of law.

Stefano Polli: It's important to discuss principles and values, and compliance with law. It's important to remember who we are to better build the future. Minister Linde, let's get back to the Single Market and its relation with Brexit. Are you optimistic about the negotiations which will start after the elections in the UK? Do you think that the UK could be part of the Single Market after Brexit and, if so, under which conditions?

Anne Linde: I would lie if I said I'm very optimistic. But we must try to be as constructive as possible. We have come back to harsh attitudes on both sides. This will not be helpful for the negotiations, at the end of which we should have a well-functioning Free Trade Agreement with the UK. There are very strong economic reasons for many countries to work towards that result, but **you cannot be part of the free market if you do not honour the four freedoms**. You cannot refuse the free movement of people and ask access to the Single Market at the same time. This is simply impossible. It is also not possible to take part only in things that are valuable for the UK, and disregard things that do not serve the UK. It's like living in an apartment on the first floor and saying: I won't pay for the elevator. You can't do that. **The UK will need to pay their bills, and citizens' rights must be legally clear**. It's easy to say that all the Britons can stay in the EU, and that EU citizens can stay in the UK. But there are several details, mentioned earlier today by Michel Barnier, which must be clarified. I am not optimistic but we must be as constructive as possible. There is no doubt that the negotiations will be tough.

Stefano Polli: I agree with you. The four freedoms of the Single Market must be respected. Same question for you, Sandro Gozi: are you optimistic about the Brexit negotiations?

Sandro Gozi: On European questions, as Jean Monnet said, we should be **neither optimistic nor pessimistic: we should be determined**. I am determined to limit damages. Let's try the best we can. I am sure that the UK will not remain in the Single Market because it has chosen not to invoke that they do not want the free circulation of people. I always say: regret, respect, replace! **Regret: I am sorry for their choice. Respect: I have to respect their decision. Replace: I have to replace it with a type of partnership which should aim at a better relationship**, also in the field of trade.

73 places in Parliament will now be left by UK MEPs. We must use them. We must use this occasion to create real European politicians on the basis of **transnational lists**¹⁵. In this way, we will create a transnational dimension which has always been missing. Thanks to the British, in a way, we now have the possibility to do this. I hope the European Commission and European Council will be positive towards this idea.

Stefano Polli: Which is your hope on the elections in France this Sunday?

Anne Linde: It must be Emmanuel Macron. Any other election result would be a disaster. It must be him.

Sandro Gozi: Yes, I agree. This is the best choice France can make. Le Pen wants France to exit the EU and history altogether. Macron wants to promote France and reform Europe; he has faith in Europe.

18.00 – 18.30 *The Future of Europe and the Estonian Presidency of the Council of the EU*

Introduction

Vincenzo Grassi, Secretary-General of the EUI

Address by **Kersti Kaljulaid**, President of Estonia

[VIDEO](#)

Abstract: Kaljulaid emphasises the need for a digital Europe, which will be one but not the exclusive priority of the Estonian Presidency.

Note: Estonia observes the Presidency of the Council of the EU from July to December 2017. The report below is a verbatim transcript of Kaljulaid's intervention.

Report:

Vincenzo Grassi: Pluralism is central to intellectual freedom and academic excellence. Other speakers underline the success of the enlargement process. New member states bring a fresh approach.

Kersti Kaljulaid: Let me begin by thanking the European University Institute for inviting me to speak here today. I am honoured to speak to you about the upcoming Estonian Council Presidency and to share with you some thoughts on how the future of our Union looks from the North East corner of Europe.

First, a little case study that proves that **responsible national policies can result in the recognition of the EU's values by the wider public**. It is important to give the EU its due recognition for the possibilities it offers to us national policy makers. It is just as important not to blame Brussels for things that go wrong. People in Estonia do look at our European Union with trust. This is because all Estonian

¹⁵ For more information, cf. <http://www.foederalist.eu/2015/02/transnational-lists-and-two-compromises.html> and ...[and what? This was left unfinished]

governments have said that they can. This messaging is even more important than EU support schemes. For, as we know, countries that receive equal and high levels of EU support, can highly differ in their public analysis of the Union. Therefore, money is not defining the attitudes of people, ideals are.

The EU has had considerable overall success in driving economic convergence. If we look at where we were in 2004 and where we are today, then the numbers speak for themselves – Estonians are 2.4 times richer than at joining.

But as I already said, it is not all about money. The GDP of all ten member states who acceded to the EU in 2004 has increased on average 1.9 times. No one has been left out. Everyone has progressed. All of the countries that joined in 2004 are better off. And almost of all the states that were in the EU before 2004 are too. This is mainly due the opportunities offered by new markets and better cost structuring for enterprises.

And yet, despite the obvious economic gains, the EU's popularity is wavering in many countries. This is happening because of the political messaging about it. Harmful words are not free, as countries have started to find out. Indeed, it is very difficult to criticise the EU and at the same time claim that it is a very useful Union. The message is incoherent and therefore not believable. **The problem is not that people get the EU wrong, but rather that they get confusing signals about it.**

In Estonia, we make a point of not blaming Brussels for potentially unpopular decisions. We tell our people that solidarity works both ways. For example, even though Estonia had no previous experience with accepting refugees and we were therefore off to a rocky start once the joint decision on burden-sharing was adopted, we accepted our fair share. We put in place a system offering people a new home in Estonia. We made a point of explaining to refugees what the economic conditions of our country are and the amount of support we can offer. We built the system from scratch, in a year, and we are doing well in fulfilling our quota.

Estonia has also always supported a **stronger role for the EU globally**. The EU does a lot of good in the world, but too little of this is known. We should be proud. I am hopeful that the new EU global strategy will prove useful in not only strengthening the EU's common foreign and security policy but also at helping to boost the EU's image abroad and at home.

In less than two months, Estonia will assume the Presidency of the Council of the European Union for the first time in its history. We planned for a presidency at the beginning of 2018, six months later. But when the UK voted to leave the EU, we needed to step up and took over the UK's slot.

We take on our presidency with a strong sense of responsibility, but also with enthusiasm. And we have set ourselves some ambitious goals.

We aim at a **European Union that is competitive, prosperous and secure**. We are determined to **keep Europe safe but also open to the outside world**, including its immediate neighbourhood. And, of course, being Estonia, there is the horizontal digital aspect of practically every policy goal of EU that we want to highlight.

Digital seemed to surface all by itself in preparation for our Presidency. Which shows, by the way, that without most EU citizens recognising it, the EU is turning into a digital society, much like Estonia. There are already horizontal digital aspects

to many EU policies including: security, EU-Lisa [European Agency for the operational management of Large-Scale IT Systems in the area of freedom, security and justice] and exchange of data, free trade and sustainable development. In both the Eastern Partnership and the Neighbourhood Policy more widely, there is a strong digital aspect related to fighting corruption and strengthening the rule of law, since you cannot bribe a computer.

But just as others are determined to make our Presidency about all things digital because they believe we can do it, we ourselves are determined that our Presidency not take merely a technocratic approach. Our goal is to take an empathetic, constructive view of the future of Europe. I do realise that talking positively about the EU is not that common these days. Indeed, it is much more fashionable - both in and outside of the European Union - to worry about the EU's disintegration and demise. Admittedly there are forces – both internal and external – which do threaten to pull the EU apart. But since the EU normally develops through various crises and **there is no better means of sorting this continent than assembling in Justus Lipsus** [the location in Brussels where the Council of the EU / European Council gathers] for some active verbal combat, the EU is much more resilient than we give it credit for. The EU always has a way of muddling through even if the solutions reached are often neither ideal nor elegant. But they are sufficient. They have always been sufficient. It is simple common sense, even if common sense is not in the Treaty. But neither is muddling through. They should be in my humble opinion.

During our Presidency, our aim, of course, is to do more than just muddle through. We worked hard to get into the European Union. The last thing that we want is to see it weaker. We are sad to see it weakened by undeserved criticism. We want it to prosper by constructive analysis of its values and indeed, fault lines as well. And so we have decided to place unity at the heart of our presidency because now, more than ever, we see that Europe needs to come together, to consolidate and to act. Of course, this is easier said than done. But by no means it should impossible to achieve. After all, the EU's core policies – the Single Market, the common trade policy, Schengen – remain strong and intact.

The euro area's technical structures developed quicker during the euro crisis than they could by mere political deliberation of calm economic waters. The same is now happening to Schengen and securing its borders. Indeed, if we look at the past years, then we can see that **the EU has managed to remain united on the issues that really matter**. For example, at the Council we agreed very quickly on the mandate for starting the negotiations on the basis of Article 50. Also, when the Russian aggression against Ukraine erupted in 2014, the EU managed to mobilise and take a united stand on Russia's actions. These example show that the European Union can and does pull together and demonstrate unity when fundamental interests and values are at stake.

Meanwhile, and also on the positive side, other policy areas like **the EU's common foreign policy and defence cooperation are being strengthened**. During our presidency, we will work to take these discussions further forward. We will also do our best to implement **EU-NATO strategic partnership**, which given the uncertainty surrounding us, is more necessary than ever. And we will, of course, work tirelessly on strengthening the all-important transatlantic relationship.

As Presidency, we will also pay more attention to the creation of a prosperous and competitive Europe, which can only be built on a strong economy. This means being both open and innovative.

As I already said, we have had strong peer pressure to make one of our four presidency priorities **the creation of a digital Europe**. We don't want to focus too much on the technological aspects, but rather on the steps that are needed to change societies. We need to reach a stage where people throughout Europe start to complain when they have to communicate with their public sector in an analogue format. This would be a real sign of societal transformation. It would be a sign that people have started to trust digital services, value the savings in time and money, and trust digital solutions.

To reach this stage, people need digital services that work every time. They need good cyber hygiene. And they must learn how to protect themselves in cyber space. We all drive cars on highways, even though there are risks involved. The key is to take adequate safety measures. The same rule applies to the digital and cyber space. Cyber-crime is here to stay, but we cannot let criminals put our governments and people off from using technology any more than we accept criminals gaining the advantage on the streets.

Security and safety are at the forefront on people's minds today, not only in the cyber world, unfortunately. It is therefore a non-negotiable priority for our presidency. It takes real time info exchange systems to achieve this. There must be no limiting administrative measures born out of distrust of technologies to keep us from achieving our aim.

And finally, our fourth priority is an **inclusive and sustainable Europe**. We believe that the four freedoms of the European Union can function well only in a truly complete single market, which must go hand in hand with a sustainable social dimension. But the four freedoms function better in an environment less focused on rules and more on principles, which must be commonly agreed.

I would not like to finish without chiming in on the main topic of this conference: the future of our Union – citizens, our people, their freedoms. I would like to put forward some thoughts on our next biggest challenge in Europe, which we seem to be quite late in recognising. These are changes in society which are related to technological development. They are only starting and they are much bigger than simply refusing to communicate on paper with governments. Today, they may only affect some 5% of our workforce. But it will be much more soon. We should pay especially close attention to the global trends in modern information society that continue to change our jobs and lifestyle. Here, Europe should **seize the opportunity to use technological changes to our advantage**.

We have a competitive edge because we share so many freedoms as Michel Barnier demonstrated. He was also talking about the freedoms we enjoy. We have the competitive advantage to confront this age. But we must use the opportunity.

When talking about societal changes that affect the social dimension as well as the EU's competitiveness, the issues that were relevant when the Commission launched the public consultation on the **Pillar of Social Rights**, still hold true. Technological developments, aging society, changes in family and work patterns, new forms of work, skills mismatches, to name only a few. People are not only working longer but also doing more diverse kinds of work.

I see that we are also on the brink of a big and rather challenging societal change, which we have no time to contemplate, as it is gradual and not acute. But if ignored,

it will lead to an overall decrease of European competitiveness. Industrial jobs are vanishing as once did agricultural ones. Yet our social models are built on an industrial way of thinking, which no longer fits with the intermittent, global and fragmented nature of new jobs, the individualism of the new economy where everyone is an employer, employee, works for different companies at the same time and offers their services in different countries, even globally.

All of this will warrant a strong rethink of **how we gather taxes in the future**. As I like to say, the Cheshire cat will be gone, the grin will not linger much longer. We are used to getting wide aggregated streams of tax money from big companies, both payroll and income, and we bicker among ourselves and globally about who should get the tax revenue. In the future, we will face a world where independent people sell their time and skills globally, maybe never establishing a stable working relationship for long periods, working only part of the year or taking gap years at a pace which will make them lose social security network. If governments do not adapt to this changes of lifestyle and work methods, people will simply react by opting out of payments. We must figure out how to capture them with our offer of a social model, but also respecting and accepting their work and lifestyle choices.

Europe is best placed to be the sandbox of this new, emerging social model. This cannot be done by restrictive measures and administrative limitations, but only by support and encouragement of the new lifestyles. **We need to be prepared, so that the transformation from industrial, collective work to fragmented, technologically enhanced jobs will not be as brutal to lower earners as the transfer from agricultural to industrial mass employment was in the industrial revolution.** We do not know yet how we will do it, but I am convinced that we must and will succeed in adapting.

184 days to solve all of the challenges that Europe faces is not a long time. But just like every other presidency, we will do our best to move forward an agenda that we believe will make the EU stronger, safer and more prosperous. The EU has many advantages and tools. Let's put them to better use, concentrating on issues which by their nature cannot be better resolved by member states individually. And, please, let's all keep an eye on those issues that are about the future of our citizens, especially our children and grandchildren, not only the next multi-annual financial perspective.

Thank you.

Q&A with Tony Barber

Tony Barber, Europe Editor, Financial Times: You mentioned that you wanted the Estonian presidency to be forward-looking. What an extraordinary transformation in Estonia since a couple of decades. EU membership has clearly been a strong component in that change, especially during the last thirteen years or so. Do you feel comfortable that the former divide between Western and Central/Eastern Europe has now gone.

Kersti Kaljulaid: It is true that the EU transformed Estonia, just like what happened for all states that joined in 2004. Most countries are better off since the 2004 enlargement! We have all gained from it.

What is the divide between East and West? Estonians and Finns almost speak the same language and joined the EU at a different time, though neither of them is a founding member of the EU. How can there have been a divide before 2004? There are different dividing lines.

In Europe, we are good at placing the issues we agree on to one side, while identifying the issues we differ on. Then we move on with the issues we agree on. The EU creates a platform for governments to come together and negotiate. In Brussels, government representatives come together and discuss, and then go back to their countries to create better conditions. **The EU is an enabling body. It is not a body which reduces the responsibility of national governments.**

Tony Barber: One Estonian government after the other has taken care in presenting the EU and its benefits to the public. Is there a lot of public awareness created by your forthcoming presidency? Will events be organised around the country?

Kersti Kaljulaid: Yes, definitely. We were very proud, as a nation, when no one in the EU doubted of our capacity to organise the Presidency. After a short notice [6 months earlier than foreseen given the UK is not holding the Presidency in light of Brexit]. This means we are now at the heart of Europe: we can quickly adapt. There will be more than 200 events and seminars.

Tony Barber: Estonia is famous for its rapid move to a digitalised society. There are worst things to be famous for. One thing to further digitalise the EU is to build on and extend the Single Market. How will Estonia try to attract attention to extending the Single Market?

Kersti Kaljulaid: We try to emphasise the digital freedom. We need to add that as a fifth freedom to the existing freedoms. Our citizens deal online with private companies. In this sense, there is no territory. We need to adapt and encourage a societal change. Cyber can be risky. We need to protect ourselves and still use it. Otherwise we will risk losing our people. Citizens are online; we should be online, too.

Tony Barber: The Eastern partnership and stabilisation of borders represents a serious challenge. What are your thoughts on the enlargement process notably in the Western Balkans? If the EU succeeds in stabilising borders, it would be largely successful

Kersti Kaljulaid: Estonia remains a **supporter of further enlargement**. The Eastern partnership: we are organising a summit on this topic in Brussels [The 5th Eastern Partnership (EaP) Summit takes place in Brussels on 24 November 2017¹⁶]. This concerns the whole EU. We hope to gain concrete and firm (even if small) results from this summit. We should insist that Balkan countries are able to come closer to the EU. At the same time, we should insist that **the rule of law must persist and that corruption must end**. Here, we must take a strong stance. We know from our own experience that the only

¹⁶ For more information, consult : <http://www.consilium.europa.eu/en/meetings/international-summit/2017/11/24/>.

way to quickly transform is not only through the free market but also through free media, freedom of speech, and a normal liberal democracy. This has contributed to our prosperity. I have read a report from the European Court of Auditors saying that Europe has gained progress in building institutions in Balkan countries but less so in the fight against corruption and for the rule of law. For their own prosperity, the Balkan countries must be more ‘like us’ in their respect of liberal values. The EU is a value-based Union; this is the foundation of our prosperity.

Tony Barber: At two months from the Estonian presidency: what will you look back on, on 31 December 2017? What will enable you to say that it has been a successful presidency?

Kersti Kaljulaid: That we will not say anymore that the EU is in crisis and disarray. When exactly has the world been developing without crises? The EU is in a great shape, and we must say so very loudly and clearly! We must be more future-oriented.

18.30 – 19.00 *Closing Address by Paolo Gentiloni, Prime Minister of Italy*

[VIDEO \(EN\)](#)

[VIDEO \(IT\)](#)

I would like to express Italy’s best wishes to the Estonian Presidency during the second half of this year, and wish the best for the engagements Estonia will be facing. The words of the President have encouraged us. I also commend the common decision that Estonia be given the presidency following the UK’s decision to leave the Union.

Thank you to the EUI for organizing the traditional gathering of theirs. Over the years, this event has become increasingly important. It allows us to discuss The State of the Union. In formal venues, like the European Parliament, The State of the Union is also discussed. But **this setting allows for a freer conversation**. It is also an opportunity to revitalise some projects the EUI is involved in. An example is certainly the project for a School of Transnational Governance, which we support and which, today, has been supported by the European institutions as well.

The year behind us has been one of the most difficult years for the Union. One during which the perception of a crisis was strongest. I do not want to underestimate the persistence of some opinions which continue to blame the EU as if it were the root for all evil. For some, leaving the EU is the best way to face and solve these problems. These opinions continue to exist but they have repeatedly proven to be minority views in recent months. I am confident this will also be the case with the upcoming elections in France.

European issues have increasingly become crucial in public debates in our countries. **Being in favour or against the EU has become one of the divides in public debates and political views**. As the European issue became central, **opinions in favour of the EU are the majority** in our countries. This is a

statement which brings responsibilities with it. After one of the most difficult years with regard to the EU's perspectives, I think we can now look towards the upcoming months and years with greater optimism. I look back to the day after Brexit. The day after the referendum in late June. On March 25th we celebrated the 60th anniversary of the EU. The hope that this would become a moment for action for the EU, in a moment of crisis, proved to be true.

The EU proved to be able to react. This confirms the strength of the project. With the same clarity we have to underline the fact that this surge in pro-European thought won't be able to revitalise, in itself, the EU if we do not change one of the fundamental issues pertaining to the way in which we work together in the EU. **The [positive/strong] EU reaction will not, in itself, solve the problems and difficulties we face.** The road ahead of us is one in which we have to recognise and reiterate what our founding values are. These are values much of the world recognises and envies, which much of our neighbours, like in the Balkans, wish to emulate. These values, which have been recognized universally, are not always at the heart of our idea of the EU.

A great European, Václav Havel, in an essay on the European identity, once wrote that we are so intrinsically European that we are not even aware of being European. We take for granted some of the underlying values we have. Sometimes we are too flexible vis-à-vis these values, also within the EU. It is not enough for those of us within the EU to (rightfully) ask, in our neighbourhood policy and accession policies, that third states comply with these values. **We have to be the champions of these values within the EU itself, among the member states!** The value of freedom, first of all. In a world in which we tend to overlook the **correlation between economic success and freedom.** We need to tell the success stories from an economic standpoint. This is what Europe is. The strength of the value of freedom is at the heart of the idea of a single market. The value of an open society which is attacked in so many parts of the world, an attack partly spreading also within the EU. The value we give to common policies e.g. with regard to migration.

I listened to President Juncker's intervention this morning: merci, Jean-Claude! He said that Italy defended the EU's honour. I also want to tell all of you that with Juncker's leadership, we will defend this honour together. I cannot imagine that a single EU country can defend the EU's honour. If it is indeed honour, we should defend it together. With President Juncker's leadership, we will be able to accomplish this. A Europe based on values; a Europe of citizens; a Europe as described by the title of this conference: *a People's Europe*.

We have to take into account the **social dimension the EU** faces in a context which is no longer the one of the 20th century, as the President of Estonia said earlier. Of course, we defend rights and protections. But we don't face this issue with a sense of longing for the welfare state of the previous century. We want to offer the same level of protection but at the same time we need to evolve taking into account the extraordinary evolution brought about by globalisation, access to the market also by the middle class, including millions in Asia. The meeting in Gothenburg next September [Social Summit in Gothenburg on 17 November 2017] will be very important in this regard.

We cannot resist this **push of technological innovation**. We cannot stop this evolution and must also see the positive side of it. We must equip ourselves because those who will be damaged by this change, those who risk to be left behind, those who suffer from technological innovation, have to receive a response from government and the EU. By underestimating this we will only be favouring the populist and those who are against the EU. That's why we have to face this issue. It must be at the core of our policy on growth, inclusion and investment within the EU. Of course, a Europe of citizens is also a way of responding to the request for democracy and participation which the EU should not shy away from. If we feel that we have to **push towards convergence** within the EU, perhaps with different speeds (as we have declared a number of times also in the declaration on the occasion of the 60th anniversary of the Rome Treaties), this must be accompanied by a **push towards greater democracy**.

These two processes cannot continue separately. This is why a **greater role for the European Parliament and a more direct participation of EU citizens** is needed. We have decided for a long time to focus on the integration of markets and economic markets. Now this integration process must go hand in hand with a process through which we can foster democratic participation, as difficult as it may seem.

We will do everything we can to respond to anti-European sentiment. But we cannot respond through arrogance or a lack of participation. **Besides a Europe based on values and of citizens, Europe has to be aware of its role on the global scenario and of its responsibilities within the international political context. This is the role for a peaceful superpower.** What is our role to be in the coming years besides our strength as far as trade is concerned, besides our soft power and economic strength?

Europe is an enormous antidote against the dangerous reappearance of some of ghosts of the 20th century. A great Italian, Luigi Nardi warned us against the risks of the myths linked to the 'absolute sovereignty' of states. Not because he wanted to give up Italian sovereignty but because he wanted to invest in Europe.

We all know that we are experiencing times of great contradiction in a world which is a post-sovereign world, characterized by the presence of economic forces and communication dynamics going well beyond national borders, and which aren't governed by national states. At the same time we live in a 'hyper-sovereign' world. **It is a post-sovereign and hyper-sovereign world at the same time.**

Hyper-sovereignty has a risk. We Europeans are aware of that risk because we experienced it ourselves in Europe, forcing much of the world to experience it as well in the 20th century. **The response to the risk of the re-emergence of nationalism cannot be the response of a landless elite.** Were we to imagine the cosmopolitan landless elite as an adequate response to nationalism, I think we would be delusional. What we have to do is to exhibit, with pride, our roots. We have to show our Italian and European patriotism of the past 50, 60 years.

Italy and Europe have always moved ahead together with a clear awareness that **patriotism is a way to evoke our roots while nationalism evokes the nightmare of our shame**. Nationalism contains the roots of that risk. In a city such as Florence, where it is easy to be proud of our roots, we have to reiterate this clear division between the love of Italy, Europe and our roots, on the one hand, and nationalism (which becomes hostility towards one's neighbours or towards ethnic, cultural and religious differences), on the other hand – especially because nationalism easily turns in a denial of the great project behind the EU.

We now have the chance for a new beginning. I hope that, with this new beginning and through a EU capable of reacting to difficulties, we will be supported by the outcome of the French elections.

As in the past, the EU, following major difficulties such as the decision of our UK friends to leave the EU, must be able to turn difficulties into opportunities. Italy will do all it can to work in this direction. By changing what need to be changed so we can continue to keep a myth alive: the myth of a united Europe.

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