

Address – European University Institute's State of the Union

President (of the EUI, Renaud) Dehousse,

let me start by thanking the European University Institute for the invitation, and for the opportunity we have every year to look together at the state of our Union. And at ways to improve it.

I'll get to the State of the European Union in one minute, but let me first spend a few words on the state of the world.

It's a state of chaos, a confused proliferation of crisis, where conflictuality and confrontation seem to prevail on rationality. That patient, difficult, sometimes frustrating but vital work of building a common ground among players that have different views and interests, seem to be an exercise of naïveté – in these confused, chaotic times.

And yet, it is exactly when things don't go well, that rationality, calm, respect, dialogue are most needed. To avoid the worst case scenarios. To prevent conflicts to spiral out of control. To contain tensions. To preserve what it's still working and delivering – as we are determined to do with the Iran nuclear deal.

I know that this is not the mood of our times. It seems that screaming, shouting, insulting and bullying, systematically destroying and dismantling everything is already in place, is the mood of our times. While the secret of change is to put all energies not on destroying the old, but rather to build the new.

I have the impression that this impulse to destroy is not leading us anywhere good. It is not solving even one of the problems we need to face – on the contrary, it is adding conflictuality to conflictuality.

What leads to solution is the patient, respectful, rational, humble art of compromise, of building win-win solution – where everybody's interests can find their own place, where you know that if something is good for your counterpart, it must not necessarily be bad for you. On the opposite. We need to move from the "I win/you lose" approach, to the common search for common solutions, because we do have common problems to face. We are as strong as the weakest of our neighbours and partners is. The chain is as strong as the weakest of its ring is.

And in this global world, there is no doubt that we are one, interconnected, global chain. This change of attitude – from confrontation to cooperation – requires a strong, confident EU. No other global player can work for this change. The European Union is today a point of reference for all those that are investing in peace, multilateralism, free and fair trade, sustainable and development, fight against climate change, human rights and democracy, social economy – in a ruled based global order.

This gives us an opportunity but also a responsibility. So, are we able to fulfil these expectations – both of our citizens and our partners ? What is the State of our European Union? Let me tell you: the State of our Union is strong as Europeans want it to be. Europeans, all of us: governments of Member States, National Parliaments, local authorities, business sector and trade unions, universities and media, all the European citizens.

Because the EU is not a building in Brussels, it's the Union of all of us, and it is as good as we want to make it. Do we want to invest in it? It works and delivers. Don't we want to? It turns in a dysfunctional labyrinth of far-away institutions. And when that happens, when we let the state of our Union be weak, it's the most absurd waste we make of the most powerful tool we have: our Union. Its state of health depends on us all.

Go back with your memories to a couple of years ago. We were all discussing the end of the European Union. Many were saying that after the UK, others would have left the EU. Our Union was in a state of deep crisis. Then, last year, during the celebration for the 60th anniversary of our Treaties in Rome, 27 Heads of States and Governments recommitted to the relaunch of our Union. Because they knew the only way to effectively serve their respective national interests, in today's world, is through our Union. They knew that it is not giving up sovereignty, but the only way to regain sovereignty in today's world. No country is big or strong enough to face the world of today alone: we can do it only together.

And in this last year, the State of our Union has grown stronger. Much stronger. Starting from the economy (and Mario Draghi will say more about it in a while) to our capacity to act together, to manage with our external action migratory flows (in partnership with countries of origin and transit, and with UN agencies, we have assisted more migrants to return voluntarily to their countries in 2017 than in all previous years together). To defence.

(Defence): Security and defence are the best example. The idea of a European Defence Community dates back to the Fifties. But for over sixty years it was impossible to achieve, failure after failure, veto after veto.

(EP hearing): I remember very well my confirmation hearing at the European Parliament, in 2014. I said it was time to fulfil the potential of our Treaties on defence. But most people told me: it is impossible, the conditions are not there. The political will is not there. But political will depends on us, and us only. In fact, we made it. We took the most significant step ever to build the European Defence.

(MPCC): We started with a single command centre for our military training missions, in Brussels. It has been operational for one year now.

(EDF): Then, with the Commission we launched the European Defence Fund, that will allow us by 2020 to invest one-and-a-half billion every year on defence research, and on our defence industry, to help Member States spend better, by spending together.

And for the first time ever in the European history, with the Commission we have proposed to dedicate part of the next EU budget, in the Multiannual Financial Framework, to the European Defence, to support European Defence Industry and Research.

(PESCO): Then, with the Council we launched the Permanent Structured Cooperation on defence, using for the first time ever the provision of the Treaty that allows us to go with different level of engagement among Member States – testing 2 speeds in the field of security and defence.

Twenty-five European countries have committed to join forces on common projects, to provide troops and assets for our common missions, but also to speed-up their national decision making and to share information.

(PESCO projects): The 17 projects we are now implementing are very concrete, from a new system for maritime surveillance, to a European training centre for our troops who intervene in case of a natural disaster.

The range of security issue we face today is incredibly broad and only together can we develop all the capabilities we need, to protect our citizens and to build peace. As we built, in these last 2 years, the first elements of the European Defence, we have also strengthened as never before our partnership with NATO and with the United Nations. Because we see our strength as complementary to the strength of others.

The instruments we have set up have an immense potential, but it is now up to us to make full use of this potential. It is a matter of political will, particularly from Member States. As the work is a collective one, and is going on.

We are now also focusing on our civilian capabilities, and I have proposed to set up a new European financial instrument, the European Peace Facility, to give predictability to our civilian and military missions, but also to support our international partners.

(EU of security and defence): All these initiatives that I have mentioned, taken together, make the European Union of security and defence.

(Defence today): After decades, finally, today we can innovate together, we can buy together, we can plan and act together as Europeans.

(European way): Because, today, *the European way* has become *the only effective way* to peace and security. In a world where military means are sometimes needed, but never sufficient alone. Where security is never just a matter of traditional defence.

The European way to peace and security is something we have learnt in Africa: where security needs the economy to flourish, and the economy works only if it is not threatened by criminal groups, or instability.

The European way to peace and security is something we have learnt in Afghanistan, in the Sahel or in Iraq: if you want to build a strong democratic state, a professional army is just as important as professional judges, doctors and police.

The European way to peace and security is something we have learnt in our daily work around the world. Security only comes with reconciliation, and a reconciliation process requires diplomacy and local development, and sometimes also a strong peace-keeping force.

Soft and hard power together, smartly and carefully mixed, with local ownership as the compass of any decision.

(Beyond defence): So, there is a lot we can be proud of. But the state of our Union is clearly not only about security and defence.

President Mattarella said it perfectly well yesterday: "*La solidarietà sul piano della sicurezza, l'integrazione militare, non possono essere disgiunti da obiettivi di solidarietà civile e politica.*" More common work on defence must be coupled with more common work on other issues, from migration to jobs creation. Not just out of solidarity, but of self-interest.

(Europe is what we make of it): With defence, we have shown that with strong political will, and hard collective work, is possible to make full and good use of our European Union. It is the demonstration that we can aim high, dream big and deliver beyond expectations.

The state of our Union has become stronger in these last 2 years. And yet, it is challenged. I believe it is important that we realize what we risk to lose. And, on the other side, what we can achieve. The decision is only ours. A collective responsibility, that calls on each and every of us, citizens of Europe, to invest in the most powerful tool we have to exercise our sovereignty: our Union.

