

STATE OF THE UNION 2018

THE HOUR OF EUROPEAN SOVEREIGNTY

Authorised version of the State of the Union Address 2018



INTRODUCTION: A PERPETUAL RESPONSIBILITY

Mr President,

Honourable Members of the European Parliament,

At times, history moves forward only haltingly but it is always quick to pass us by.

Such is the fate of a Commission with just a five year mandate to make a real difference.

This Commission is merely a chapter, a brief moment in the long history of the European Union.

But the time has not yet come to pass judgement on the Commission I have the honour of presiding over.

This is why I will not today present you with an overview of the last four years' achievements.

Instead, I say to you that **our efforts will continue unabated. We will keep working to render this imperfect Union that little bit more perfect with each passing day.**

There is much still to be done. And this is what I want to talk to you about this morning.

No self-congratulating, no boasting. Modesty and hard work: this is the attitude the Commission will continue to adopt. This is what is on our agenda for the months to come.

History can also show up, unannounced, in the life of nations and be slow to leave.

Such was the fate of Europe's nations during the Great War starting in 1914. A war which took the sunny, optimistic and peaceful continent of the time by surprise.

In 1913, Europeans expected to live a lasting peace. And yet, just a year later, a brutal war broke out amongst brothers, engulfing the continent.

I speak of these times not because I believe we are on the brink of another catastrophe.

But because Europe is the guardian of peace.

We should be thankful we live on a peaceful continent, made possible by the European Union.

So let us show the European Union a bit more respect. Let us stop dragging its name through the mud and start defending our communal way of life more.



We should embrace the kind of patriotism that is used for good, and never against others. We should reject the kind of exaggerated nationalism that projects hate and destroys all in its path. The kind of nationalism that points the finger at others instead of searching for ways to better live together.

Living up to Europe's rallying cry – never again war – is our eternal duty, our perpetual responsibility. We must all remain vigilant.

THE STATE OF OUR UNION IN 2018

EFFORTS THAT ARE BEARING FRUIT

Honourable Members of the European Parliament,

What is the State of the Union today, in 2018?

Ten years after Lehman Brothers, Europe has largely turned the page on an economic and financial crisis which came from outside but which cut deep at home.

Europe's economy has now grown for 21 consecutive quarters.

Jobs have returned, with almost 12 million new jobs created since 2014. 12 million – that is more jobs than there are people in Belgium.

Never have so many men and women – 239 million people – been in work in Europe.

Youth unemployment is at 14.8%. This is still too high a figure but is the lowest it has been since the year 2000.

Investment is back, thanks notably to our European Fund for Strategic Investments, which some – less and less – still call the “Juncker Fund”. A Fund that has triggered 335 billion euro worth of public and private investment. We are closing in on 400 billion.

And then there is Greece: After what can only be described as some very painful years, marked by unprecedented social hardship – though also by unprecedented solidarity – Greece successfully exited its programme and is now back on its own two feet. **I applaud the people of Greece for their Herculean efforts.** Efforts which other Europeans continue to underestimate.

I have always fought for Greece, its dignity, its role in Europe, and its place inside the euro area. Of this I am proud.

Europe has also reaffirmed its position as a trade power. Our global trading position is the living proof of the need to share sovereignty. The European Union now has trade agreements with 70 countries around the world, covering 40% of the world's GDP. These agreements – so often contested but so unjustly – help us export Europe's high standards for food safety, workers' rights, the environment and consumer rights far beyond our borders.

When, amidst dangerous global tensions, I went to Beijing, Tokyo and Washington in the space of one week last July, I was able to speak, as President of the European Commission, on behalf of the world's biggest single market. On behalf of a Union accounting for a fifth of the world's economy. On behalf of a Union willing to stand up for its values and interests.

I showed Europe to be an open continent. But not a naïve one.

The strength of a united Europe, both in principle and in practice, gave me the clout I needed to get tangible results for citizens and businesses alike.

United, as a Union, Europe is a force to be reckoned with.

In Washington, I spoke in Europe's name. For some, the agreement I struck with President Trump came as a surprise. But it should be no surprise that Europe succeeds when it speaks with one voice.

When needed, Europe must act as one.

*The European Union now has **trade agreements** with 70 countries around the world, covering 40% of the world's GDP.*

A GLOBAL RESPONSIBILITY

We proved this when relentlessly defending the Paris Agreement on climate change. We did this because, as Europeans, **we want to leave a healthier planet behind for those that follow.** I share our Energy Commissioner's conclusions when it comes to our targets for reducing CO2 emissions by 2030. They are both scientifically accurate and politically indispensable.

This summer's droughts are a stark reminder – not only for farmers – of just how important that work is to safeguard the future for generations of Europeans. We cannot turn a blind eye to the challenge in front of our noses. We – Commission and Parliament – must look to the future.

Honourable Members of the European Parliament,

The world has not stopped turning. It is more volatile than ever. The external challenges facing our continent are multiplying by the day.

There can therefore be not a moment's respite in our efforts to build a more united Europe.

Europe can export stability, as we have done with the successive enlargements of our Union. For me, these are and will remain success stories – for we were able to reconcile Europe's history and geography.

But there is more to be done. **We must find unity when it comes to the Western Balkans – once and for all.** Should we not, our immediate neighbourhood will be shaped by others.

Take a look around. **What is happening in Idlib in Syria now must be of deep and direct concern to us all.** We cannot remain silent in face of this impending humanitarian disaster – which appears now all but inevitable.

The conflict in Syria is a case in point for how the international order that served Europeans so well after the Second World War is being increasingly called into question.

In today's world, Europe can no longer be certain that words given yesterday can still be counted on today.

That old alliances may not look the same tomorrow.



THE HOUR OF EUROPEAN SOVEREIGNTY

Ladies and Gentlemen,

The world today needs a strong and united Europe.

A Europe that works for peace, trade agreements and stable currency relations, even as some become more prone to trade and currency wars. I am not in favour of a selfish unilateralism that defies expectations and dashes hopes. **I will always champion multilateralism.**

If Europe were to unite all the political, economic and military might of its nations, its role in the world could be strengthened. **We will always be a global payer but it is time we started being a global player too.**

This is why – despite great resistance at the time – I reignited the idea of a Europe of Defence as early as 2014. **And this is why I will continue to work day and night over the next months to see the European Defence Fund and Permanent Structured Cooperation in Defence become fully operational.**

Allow me to clarify one important point: we will not militarise the European Union. What we want is to become more autonomous and live up to our global responsibilities.

Only a strong and united Europe can protect our citizens against threats internal and external – from terrorism to climate change.

Only a strong and united Europe can protect jobs in an open, interconnected world.

Only a strong and united Europe can master the challenges of global digitisation.

It is because of our single market – the largest in the world – that we can set standards for big data, artificial intelligence, and automation. And that we are able to uphold Europeans' values, rights and identities in doing so. But we can only do so if we stand united.

A strong and united Europe is what allows its Member States to reach for the stars. It is our Galileo programme that is today keeping Europe in the space race. No single Member State could have put 26 satellites in orbit, for the benefit of 400 million users worldwide. No single Member State could have done this alone. Galileo is a success in great part, if not entirely, thanks to Europe. No Europe, no Galileo. We should be proud.

Mr President,

The geopolitical situation makes this Europe's hour: the time for European sovereignty has come. It is time Europe took its destiny into its own hands. It is time Europe developed what I coined **“Weltpolitikfähigkeit”** – the capacity to play a role, as a Union, in shaping global affairs. Europe has to become a more sovereign actor in international relations.

European sovereignty is born of Member States' national sovereignty and does not replace it. Sharing sovereignty – when and where needed – makes each of our nation states stronger.

” *It is our Galileo programme that is today keeping Europe in the space race. No single Member State could have put 26 satellites in orbit, for the benefit of 400 million users worldwide.* ”

This belief that “united we stand taller” is the very essence of what it means to be part of the European Union.

European sovereignty can never be to the detriment of others. Europe is a continent of openness and tolerance. It will remain so.

Europe will never be a fortress, turning its back on the world or those suffering within it. Europe is not an island. It must and will champion multilateralism. The world we live in belongs to all and not a select few.

This is what is at stake when Europeans take to the polls in May next year. We will use the 250 days before the European elections to prove to citizens that, acting as one, this Union is capable of delivering on expectations and on what we promised to achieve at the start of this mandate.

By the elections, **we must show that Europe can overcome differences between North and South, East and West, left and right.** Europe is too small to let itself be divided in halves or quarters.

We must show that together we can plant the seeds of a more sovereign Europe.

DELIVERING ON OUR PROMISES

Honourable Members of the European Parliament,

Europeans taking to the polls in May 2019 will not care that the Commission made a proposal to make internet giants pay taxes where they create their profits – they want to see it happening for real. And they are right.

Europeans taking to the polls in May 2019 will not care about the Commission's good intention to crack down on single-use plastics to protect our oceans against marine litter – they will want to see a European law in force that bans these plastics, which is what the Commission has proposed.

We all say in soap-box speeches that we want to be big on big things and small on small things. But there is no applause when EU law dictates that Europeans have to change the clocks twice a year. The Commission is today proposing to change this. **Clock-changing** must stop. Member States should themselves decide whether their citizens live in summer or winter time. It is a question of subsidiarity. I expect the Parliament and Council will share this view. We are out of time.

This is why I am today calling on all to work closely together over the next months, so that we can jointly deliver on what we have promised – before the European Parliament elections.

At the beginning of this mandate, we all collectively promised to deliver a more innovative Digital Single Market, a deeper Economic and Monetary Union, a Banking Union, a Capital Markets Union, a fairer Single Market, an Energy Union with a forward-looking climate policy, a comprehensive Migration Agenda, and a Security Union. And we – or at least most of us – agreed that Europe's social dimension should be given the Cinderella treatment no more, but should instead be geared towards the future.

The Commission has put all the proposals and initiatives we announced in 2014 on the table. Half of these have already been agreed by Parliament and Council, 20% are on well on the way and 30% are still under discussion – difficult discussion at that.



Ladies and Gentlemen,

I cannot accept that the blame for every failure – and there have been a few – is laid solely at the Commission's door. Our proposals are there for all to see. They need to be adopted and implemented. I will continue to resist all attempts to blame the Commission alone. There are scapegoats to be found in all three institutions – with the fewest in Commission and Parliament.

Leadership is what is needed now. This is notably the case when it comes to **completing our Security Union**. Europeans rightly expect their Union to keep them safe. This is why the Commission is today proposing **new rules to get terrorist content off the web within one hour** – the critical window in which the greatest damage is done. And we are proposing **to extend the tasks of the newly established European Public Prosecutor's Office to include the fight against terrorist offences**. We need to be able to prosecute terrorists in a more coordinated way, across our Union. Terrorists know no borders. **We cannot allow ourselves to become unwitting accomplices because of our inability to cooperate.**

In the same vein, we have also today proposed measures to fight money laundering more effectively across our borders.

We must protect our **free and fair elections**. This is why the Commission is today proposing new rules to better protect our democratic processes from manipulation by third countries or private interests.

” *EU operations have helped rescue over 690,000 people at sea since 2015.* ”

Leadership and a spirit of compromise are of course very much needed when it comes to **migration**. We have made more progress than is often acknowledged. Five of the seven Commission's proposals to reform our Common European Asylum System have been agreed. Our efforts to manage migration have borne fruit: arrivals have been drastically reduced – down 97% in the Eastern Mediterranean and 80% in the Central Mediterranean. EU operations have helped rescue over 690,000 people at sea since 2015.

However, Member States have not yet found the right balance between the responsibility each must assume on its own territory; and the solidarity all must show if we are to get back to a Schengen area without internal borders. I am and will remain strictly opposed to internal borders. **Where borders have been reinstated, they must be**

removed. Failure to do so would amount to an unacceptable step back for the Europe of today and tomorrow.

The Commission and several Council presidencies have put numerous compromise solutions on the table. **I call on the Council presidency to now make the decisive step to broker a sustainable solution on a balanced migration reform.**

We cannot continue to squabble to find ad-hoc solutions each time a new ship arrives. Temporary solidarity is not good enough. We need lasting solidarity – today and forever more.

We need more solidarity not for solidarity's sake but for the sake of efficiency. This is true in the case of our **civil protection mechanism**. When fires rage in one European country, all of Europe burns. The most striking images from this summer were not only those of the formidable fires but of the Swedish people greeting Polish firefighters coming to their aid – Europe at its best.

Turning back to migration: the Commission is today proposing to **further strengthen the European Border and Coast Guard** to better protect our external borders with an additional 10,000 European border guards by 2020.

We are also proposing to **further develop the European Asylum Agency** to make sure that Member States get more European support in processing asylum seekers in line with the Geneva Convention.

And we are proposing to **accelerate the return of irregular migrants**. The Commission is committed to supporting Member States in doing so.

I would also like to remind Member States again of the need to open **legal pathways** to the Union. I renew my call. We need skilled migrants. Commission proposals addressing this issue have been on the table for some time and must now be taken up.

Mr President,

To speak of the future, one must speak of **Africa** – Europe's twin continent.

Africa is the future: By 2050, Africa's population will number 2.5 billion. One in four people on earth will be African.

We need to invest more in our relationship with the nations of this great and noble continent. And we have to stop seeing this relationship through the sole prism of development aid. Such an approach is beyond inadequate, humiliatingly so.

” **Africa** is the future: By 2050, Africa's population will number 2.5 billion. One in four people on earth will be African. ”

Africa does not need charity, it needs true and fair partnerships. And Europe needs this partnership just as much.

In preparing my speech today, I spoke to my African friends, notably Paul Kagame, the Chairperson of the African Union. We agreed that donor-recipient relations are a thing of the past. We agreed that **reciprocal commitments are the way forward**. We want to build a new partnership with Africa.

Today, we are proposing **a new Alliance for Sustainable Investment and Jobs between Europe and Africa**. This Alliance – as we envision it – would help create up to 10 million jobs in Africa in the next 5 years alone.

We want to create a framework that brings more private investment to Africa. We are not starting from scratch: our External Investment Plan, launched two years ago, will mobilise over €44 billion in both the public and private investment. Alone the projects already in the pipeline will unlock €24 billion.

We want to focus our investment where it matters the most. By 2020, the EU will have supported 35,000 African students and researchers with our Erasmus programme. By 2027, this figure should reach 105,000.

Trade between Africa and Europe is not insignificant. 36% of Africa's trade is with the European Union. This compares to 16% for China and 6% for the United States. But this is not enough.

I believe we should develop the numerous European-African trade agreements into a continent-to-continent free trade agreement, as an economic partnership between equals.

Mr President,

Ladies and Gentlemen,

Another issue where I see a strong need for the Union for leadership is **Brexit**. I will not enter into the details of the negotiations, which are being masterfully handled by my friend Michel Barnier. He works on the basis of a unanimous position confirmed time and again by the 27 Member States. However, allow me to recall three principles which should guide our work on Brexit in the months to come.

First of all, we respect the British decision to leave our Union, even though we continue to regret it deeply. But we also ask the British government to understand that someone who leaves the Union cannot be in the same privileged position as a Member State. If you leave the Union, you are of course no longer part of our single market, and certainly not only in the parts of it you choose.

Secondly, **the European Commission, this Parliament and all other 26 Member States will always show loyalty and solidarity with Ireland when it comes to the Irish border.**

This is why we want to find a creative solution that prevents a hard border in Northern Ireland. But we will equally be very outspoken should the British government walk away from its responsibilities under the Good Friday Agreement. **It is not the European Union, it is Brexit that risks making the border more visible in Northern Ireland.**

Thirdly, after 29 March 2019, **the United Kingdom will never be an ordinary third country for us.** The United Kingdom will always be a very close neighbour and partner, in political, economic and security terms.

In the past months, whenever we needed unity in the Union, Britain was at our side, driven by the same values and principles as all other Europeans. This is why I welcome Prime Minister May's proposal to develop an ambitious new partnership for the future, after Brexit. We agree with the statement made in Chequers that the starting point for such a partnership should be a free trade area between the United Kingdom and the European Union.

On the basis of these three principles, the Commission's negotiators stand ready to work day and night to reach a deal. We owe it to our citizens and our businesses to ensure the United Kingdom's withdrawal is orderly and that there is stability afterwards. It will not be the Commission that will stand in the way of this, I can assure you of that.



A STRONG PERSPECTIVE FOR THE FUTURE

Honourable Members of the European Parliament,

There is much work to be done before the European elections and before Europe's Leaders meet in **Sibiu, Romania** on 9 May 2019.

Sibiu is the moment we must offer all Europeans a strong perspective for the future.

Europeans deserve better than uncertainty and confused objectives. They deserve clarity of intent, not approximations or half-measures.

This is what is at stake on the road to Sibiu – a summit that will take place just six weeks after Brexit and two weeks before the European elections.

By then **we must have ratified the EU-Japan partnership agreement** – for reasons as much economic as geopolitical.

By then, we should also have brokered an agreement in principle on the **EU budget after 2020**.

If we want to give young Europeans the opportunity to make the most of our Erasmus programme – which we must – then we must decide on this aspect, amongst others, of the budget.

If we want to give our researchers and start-ups more opportunities, and prevent funding gaps costing jobs, we have to decide before the elections.

If we want to – without militarising the European Union – to increase defence spending by a factor of 20, we will need to decide quickly.



” The euro is 20 years young and has already come a long way – despite its critics. It is now the second most used currency in the world with 60 countries linking their currencies to the euro in one way or another. ”

If we want to increase our investment in Africa by 23%, we must decide quickly.

By next year, we should also address the international role of the euro. The euro is 20 years young and has already come a long way – despite its critics.

It is now the second most used currency in the world with 60 countries linking their currencies to the euro in one way or another. But **we must do more to allow our single currency to play its full role on the international scene.**

Recent events have brought into sharp focus the need to deepen our Economic and Monetary Union and build deep and liquid capital markets. The Commission has made a series of proposals to do just that – most of which now await adoption by Parliament and Council.

But we can and must go further. It is absurd that Europe pays for 80% of its energy import bill – worth 300 billion euro a year – in US dollar when only roughly 2% of our energy imports come from the United States. It is absurd that European companies buy European planes in dollars instead of euro.

This is why, before the end of the year, the Commission will present initiatives to strengthen the international role of the euro. The euro must become the face and the instrument of a new, more sovereign Europe. For this, we must first put our own house in order by strengthening our Economic and Monetary Union, as we

have already started to do. Without this, we will lack the means to strengthen the international role of the euro. We must complete our Economic and Monetary Union to make Europe and the euro stronger.

Last but not least, **by Sibiu I want to make visible progress in strengthening our foreign policy.** We must improve **our ability to speak with one voice when it comes to our foreign policy.**

It is not right that our Union silenced itself at the United Nations Human Rights Council when it came to condemning human rights abuses by China. And this because not all Member States could agree.

It is not right that one Member State was able to hold the renewal of our arms embargo on Belarus to ransom, or that sanctions on Venezuela were delayed for months when unanimity could not be reached.

This is why today the Commission is proposing to move to qualified majority voting in specific areas of our external relations. I repeat what I said last year on this matter. We should move to qualified majority voting not in all but in specific areas: human rights issues and civilian missions included. This is possible on the basis of the current Treaties and I believe the time has come to make use of this "lost treasure" of the Lisbon Treaty.

I also think we should be able to decide on certain tax matters by qualified majority.

Mr President,

I would like to say a few words about the increasingly worrying way in which we air our disagreements. Heated exchanges amongst governments and institutions are becoming more and more common.

Harsh or hurtful words will not get Europe anywhere.

The tone is not only worrying when it comes to political discourse. It is also true of the way some seek to shut down debate altogether by targeting media and journalists. Europe must always be a place where freedom of the press is sacrosanct. Too many of our journalists are intimidated, attacked, or even murdered. **We must do more to protect our democracy and its agents – our journalists.**

In general, we must do more to revive the lost art of compromise. Compromise does not mean sacrificing our convictions or selling out on our values.

The Commission will resist all attacks on the **rule of law.** We continue to be very concerned by the developments in some of our Member States. Article 7 must be applied whenever the rule of law is threatened.

First Vice-President Timmermans is doing a remarkable but often lonely job of defending the rule of law. The whole Commission, and I personally, support him fully.

But we need to be very clear on one point: judgements from the Court of Justice must be respected and implemented. This is vital. The European Union is a community of law. **Respecting the rule of law and abiding by Court decisions are not optional.**



CONCLUSION

Mr President,

Honourable Members of the European Parliament,

I started this speech – my last State of the Union though surely not my last speech – by talking about history. I spoke of both the events that have marked this Commission's time in office and of history writ large, the History of Europe.

We are all responsible for the Europe of today. And we must all take responsibility for the Europe of tomorrow.

Such is history: parliaments and Commissions come and go, Europe is here to stay. But for Europe to become what it must, there are several lessons to be learnt.

I want Europe to get off the side-lines of world affairs. Europe can no longer be a spectator or a mere commentator of international events. **Europe must be an active player, an architect of tomorrow's world.**

There is strong demand for Europe throughout the world. To meet such high demand, Europe will have to speak with one voice on the world stage. **In the concert of nations, Europe's voice must ring clear in order to be heard.** Federica Mogherini has made Europe's diplomacy more coherent. But let us not slide back into the incoherence of competing and parallel national diplomacies. Europe diplomacy must be conducted in the singular. Our solidarity must be all-embracing.

I want us to do more to bring together the East and West of Europe. It is time we put an end to the sorry spectacle of a divided Europe. Our continent and those who brought an end to the Cold War deserve better.

I would like the European Union to take better care of its social dimension. Those that ignore the legitimate concerns of workers and small businesses undermine European unity. It is time we turned the good intentions that we proclaimed at the Gothenburg Social Summit into law.

I would like next year's elections to be a landmark for European democracy. **I would like to see the *Spitzenkandidaten* process – that small step forward for European democracy – repeated.** For me, this process would be made all the more credible if we were to have transnational lists. I hope these will be in place by the next European elections in 2024 at the latest.

But above all, I would like us to reject unhealthy nationalism and embrace enlightened patriotism. We should never forget that the patriotism of the 21st Century is two-fold: both European and national, with one not excluding the other.

Europe's Leaders meet in Sibiu, Romania on 9 May 2019. Sibiu is the moment we must offer all Europeans a strong perspective for the future.



As the French philosophe Blaise Pascal said: I like things that go together. In order to stand on its own two feet, Europe must move forward as one. **To love Europe, is to love its nations. To love your nation is to love Europe.** Patriotism is a virtue. Unchecked nationalism is riddled with both poison and deceit.

In short, we must remain true to ourselves.

The trees we plant today must provide shade for our great grand-children whether they hail from East or West, from South or North. To give them all they need to grow and breathe easily.

A few years ago, standing in this very same spot, I told you that Europe was the love of my life. I love Europe still and shall do so forever more.



Jean-Claude Juncker

