

# FOR AN AMBITIOUS EUROPE

Jean-Claude Juncker | *President of the European Commission*



**T**his Tribune transposes the speech delivered by Jean-Claude Juncker during the [debate](#) with Manuel Valls at the Conservatoire national des arts et métiers in Paris on 7 October 2016, organised at the occasion of the [20th anniversary](#) of the creation of the Jacques Delors Institute, then under the name of “Notre Europe.” You may find the [video](#) of this speech on our YouTube channel and the [photos](#) of the event on our FlickR account

Mr Prime Minister, dear Manuel,  
 Mr President of the Institute, dear Enrico,  
 Mr General Administrator of the Conservatoire National des Arts et Métiers,

First of all, I would like to thank Enrico for inviting me. If he hadn't, I would have come anyway, making my presence in the room heard because - although no-one remembers - I am a founding member of the Delors Institute, which was supported by the Luxembourg budget until the day I left my country, as the current government withdrew support for what it most likely deemed a charitable cause, while in reality the Institute's role is to encourage those who think and those who act.

I would have been sad not to be invited, such is my great esteem for Jacques Delors, who is my friend, my illustrious predecessor as President of the European Commission and also my mentor, because I owe him a lot.

As a young minister, he guided me, striving to make me really get a feel of Europe, trying to make me understand more fully what he was doing and what he wanted. There is an ongoing misunderstanding between Jacques Delors and myself. In the early 1990s, he tried to convince his future successor Jacques Santer, my Prime Minister at the time, to appoint me as Vice-President of the Commission in charge of social affairs. I did not pursue his invitation and it is still a slight regret today - a great regret for me, and a slight regret for Jacques Delors.

## 1. Jacques Delors' Europe

As we celebrate the 20th anniversary of the Institute, we must ask ourselves where Europe would be without Jacques Delors. We know where it was before, and we know just how much we owe him. Without Jacques Delors, there would be no internal market, the single market, the “great market” as he liked to call it, the largest internal market in the world, with 500 million consumers and citizens.



Without Jacques Delors, there would be no single currency to protect us, as it protected us during the worst of the economic and financial crisis. You have to imagine for a moment that if we did not have the single currency at the start and middle of the economic and financial crisis, which hit Europe but started elsewhere, and if we were still trapped in the European monetary system, this crisis would have quickly resulted in a monetary war in Europe: France against Germany, Germany against Italy and Italy against Spain. I lived through this period, when we were saddled with the European monetary system, when every third Sunday the Finance Ministers would have to travel to Brussels to make realignments, to review the economic realities from the bottom up, realities that meant that between the evening and the morning, the production of a country became too expensive while other productions, enjoying competitive devaluations, i.e. devaluations against others, fared better. This was all ended thanks to the creation of the single currency, thanks to Jacques Delors, as in 1988 he chaired a committee comprised in particular of governors and he convinced this difficult audience of the need and justification of the single currency. I also remember, as we are speaking a lot about Brexit, that it was in fact a British Finance Minister who saved the Euro. We met in Brussels the day after the death of King Baudouin to realign the various currencies – and I am saying this because nobody is mentioning it: Germany and the Netherlands wanted to leave the European Monetary System and me, a Luxembourger, a minor Finance Minister, was in a difficult spot as the fundamental data for Luxembourg was considerably better than that of Germany and the Netherlands. We could not really leave the European Monetary System, however, because we did not have a currency, we had the Belgian Franc. If Luxembourg had left the European Monetary System with the Germans and the Dutch, the Belgian Franc would have been devalued by 30-40% the next day. So, Kenneth Clarke, who was then Chancellor of the Exchequer, spoke up and said: “The United Kingdom has an opt-out and we will not adopt the single currency, but we will adopt it one day. I would like my grandchildren to be able to pay in Euros”, though it wasn’t yet called that. He continued “but if you let the Germans and the Dutch leave the European Monetary System and put yourselves under French command, you will never have the single currency, and as I want my grandchildren to have the single currency, you have no right to do what you are attempting to cook up”.

Internal market. Single currency. Social dialogue. The social dialogue agreed at Val-Duchesse, which Jacques Delors launched during his Presidency of the Commission with such energy, talent and finesse. It is because of his achievements and for his achievements that I allow myself to claim Jacques Delors’ ownership of all I intended to do as President of the Commission, as in my inaugural speech before the European Parliament, I mentioned two names: Helmut Kohl and Jacques Delors. Kohl and Delors, not everyone is so qualified. Those who knew them and who are inspired still by these two great European figures are entitled to claim, I would not dare say the legacy, but the inspiration of these two men.

## 2. The United States of Europe?

Now we are faced with great difficulties. A few weeks ago, I said in front of the European Parliament that the European Union is, at least in part, in an existential crisis. Most of the newspapers neglected to quote the “at least in part” bit. I did not say that Europe is in an existential crisis, but rather that it is in part.

I believe that the time has come, and has been coming for some time, for us to clear up a number of elements. Very often, those who observe us do not understand what we do. The reason for this is –and there are many reasons – that there is a substantive disagreement. I believe that we should stop talking of a United States of Europe. I did this when I was very young, aged seventeen or eighteen and at one point in time, I told myself that we can no longer mislead European citizens because we will never achieve the United States of Europe, because the peoples of Europe do not want this. The peoples of Europe need close proximity, they like their local regions, their landscapes, their traditions. They like a Europe that is comprised of forms of diversity and which is therefore richer than other unions and blocs in this respect. Giving the impression that the European Union is on a course towards becoming a state does not lead anywhere, because European citizens respect, not the national identity, a term which now has a connotation, but the national reality. Europe cannot be built against the wishes of its nations. Nations are not a temporary invention in history. Nations are built to last and the European Union adds to them, when through their own means, nations and states are condemned to inactivity, particularly on the world stage.



### 3. An ambitious and modest Europe

As a result, I thought it timely to launch a Leitmotiv setting out the action of the Commission of which I am honoured to be President. Europe must be great and ambitious with regard to the major challenges of our era and be modest, must exercise great restraint and be retiring for small matters. The European Union and therefore the Commission is not entitled to interfere in all areas of its citizens' daily lives. Citizens do not know who has made the decisions. Rather the EU must focus on the big issues. And there are enough big issues to keep us busy without looking at the marginal problems that may arise.

#### 3.1. Growth and investments

We are all victims of the sluggish growth in Europe and we are all subjected to the consequences resulting from the lack of investments that we have had to endure over the last decade and a half. Even today, the level of investment in Europe is 15% lower than the rate in the year preceding the crisis, 2007. This is why the Commission launched the Investment Plan for Europe, which works. At the outset, it was called the Juncker Plan, because it was doomed to failure. Now it works and has been renamed the European Fund for Strategic Investments. It has not changed and is successful, because we are going to mobilise €315 billion in investments over three years by aligning an amount with reduced levels of public expenditure, while calling on the private sector to meet the investment requirements. We entrusted this duty to the European Investment Bank in terms of guidelines and application, because a banker is more competent to assess the return and value of an investment than the Commission could. Up to now, we have mobilised some €130 billion in investments, many infrastructure projects, 300,000 small and medium-sized companies enjoying more direct and flexible access to credit and

France is the first country to have received funding from the plan which took my name at the time. We have recently decided to double the financial capacity, to raise the amount of investments to €630 billion and expressed our intention to mobilise €500 billion of investment by 2020. I believe that this is the right approach. And yet during an assessment of the plan's initial results, I would like to us to try to refocus the action conducted on all countries, particularly countries whose economic development is lagging behind. The fifteen richest countries and the fifteen most developed economies get the most out of the plan ahead of the weaker economies. We must change this.

#### 3.2. European values

First and foremost, Europe is a community of values. I will not go into detail about all the European values, as there are many. Some of them, however, are essential. Europe must once again respect the rule of law in all places. The European Union is based on law. I am saddened by the fact that some Member States stand out for their non-compliance with European standards. With regard to migrants, the Commission proposed a plan, "Resettlement, relocation", in good Franglais; the Council of Ministers adopted it by qualified majority. Some Member States do not apply it. This is the beginning of the end. If the democratically decided set rule is no longer respected by Member States at whom the rule is actually aimed and subsequently by those tasked with applying the rule set in accordance with the principles of the Treaty, we are no longer able to take action. If each time a Member State disagrees with a decision it holds a referendum to say the opposite of what is governed by law or to say the opposite of what the law could say, in the near future we will no longer be able to manage and govern the European Union in the best possible manner.

## 4. The EU of convreate achievements

### 4.1. *The European economy modernisation*

I am not ruling out the need to resort to referendum consultations with regard to constitutional treaties and such like, but on specific decisions and details this process strikes me as highly dangerous. I believe that over the next twelve months we must make a number of very important decisions. This is our last chance to kick-start Europe. I have said, in a broader context, that we must modernise our economy. I attach great importance to the internal digital market. The Commission has submitted around thirty proposals and I would like the Council and the Parliament to adopt them by the summer, or at the latest the autumn, of 2017. Digital technology is a major issue. We will lose out if we do not take this ambition seriously as all over the world advances are being made. If we achieve all that we have planned under the European digital strategy, we would generate added value of €450 billion per year and create 3.6 million jobs.

### 4.2. *The Energy Union*

I can make the same comments with regard to what is known as the Energy Union. If we achieve the entire set of proposals submitted by the Commission, European consumers would make savings of €40 billion per year. So, digital technology, energy, the Investment Plan, all this gives importance and makes sense if we do not forget that policies firmly focused on growth and employment must be part of this virtuous triangle in order to put our public finances on a sounder footing. We have no other option but to conduct the necessary structural reforms, adding to these two points with this third aspect of investments which boost jobs, and therefore benefit young people and in turn the future of our continent.

### 4.3. *European defence*

I can also make the same comments for the European defence structure, although I am not an expert in this field as the army of Luxembourg has rarely been a key player in history, although the ambition was there. The Luxembourg army is comprised of 771 soldiers - including the Minister of Defence - and so remains quite manageable. Yet we must create a defence structure for Europe. I will say this here and I have said it in all European cities, we cannot leave France the

sole duty of saving Europe's honour. If France had not been present in Mali and elsewhere, Europe would not have existed. And if Europe continues to exist, it is only thanks to France. Europe's defence effort must therefore be made more collectively, which is why I proposed to set up headquarters in Brussels as an initial step. Here, we are talking about real savings. By failing to pool public defence procurement, we end up with losses representing up to €100 billion for national treasuries. We are spending €100 billion more than we need to just because we fail to join forces in terms of the provision of military equipment, so this is an area in which savings can be made. We can make the European Union's defence efforts more effective, so this is what we must do.

Terrorism knows no borders, so it is up to Europe to take action. I said this to a great former Minister of the Interior. Once again, the Commission has made many proposals and some have been achieved, such as the EU Passenger Name Record, the implementation of which was constantly demanded by the French government. We have heightened European legislation on the financing of terrorism. We have changed European legislation with regard to the possession of firearms and explosives. Five days after the Paris attacks, the Commission proposed to review the legislation on the weapons trade. The Council took eight months to adopt what we were told was an absolute priority at the time, and this is not France's fault. All the proposals on security that the Commission has submitted must be entered as quickly as possible in the Official Journal of the European Union. I am convinced that we would make great progress in this area if we succeed in achieving greater cooperation between intelligence and police services. Progress has been made, such as, for example, the European Arrest Warrant. It took a few days for Belgium to extradite to France one of the terrorists responsible for the Paris attacks, while in comparison it previously took ten years for a terrorist who had taken refuge in the United Kingdom to be extradited to France - ten days now, compared to ten years before. We must continue along these lines.

### 4.4. *Social Europe*

Then we come to the social dimension of the internal market, which does not seem well-established, which does not really exist. It does exist though, because we have Directives on security and safety in the workplace - the Directives set up by Jacques Delors, Vasso Papandreou and others - when the internal market was

created. Yet there is more work to be done, we must listen to citizens who unfortunately do not say the same thing depending on where they are. We have proposed to legislators a revision of the Directive on the posting of workers, because I believe that a principle must be embodied in all our labour legislation: the same salary for the same job in the same location. I would therefore like the Council, and Parliament, to adopt the reform of the Directive on the posting of workers quite quickly, without becoming misled by the eleven national parliaments who showed a yellow card, arguing that posting comes under subsidiarity and not under a strong joint action. It must be strong and joint, because we must put an end to social dumping which has made work relationships vulnerable and precarious in the mainstream, and as a result, we will do what must be done.

## 5. Brexit

Then, there is Brexit. We will not begin talks before we receive official word from the British government. I am happy that my friend Michel Barnier is here. I appointed him to lead the future negotiations on behalf of the Commission with the United Kingdom. In this respect, and without going into details or debating this “hard” or “soft” question - I do not know what all this means - it must be clear that if the UK wishes to enjoy free access to the internal market, that there must be total compliance with all the rules and all the freedoms surrounding the internal market. You cannot have one foot in and one foot out, stamping with the foot outside on all that has been set up. On this issue, I say this today, we must be intransigent. I can see the manoeuvres: the United Kingdom, its government, the circles supporting it, are already explaining to industrial players on the continent that, yes, relations must be as peaceful as possible. Yes, we hope for amicable relations, but entire groups of European industry must not take part in secret discussions in dark rooms, curtains closed, with envoys from the British government, to come, in a year’s time, to see Michel, the Commission, the Council, explaining that they have no choice, that they must trade with the UK as they did before, that the free movement of people is only a minor issue when you look at the significant advantages we can derive from our trade relations with the United Kingdom. If we start to unravel the internal market by submitting ourselves to the free choice and good will of a State which has decided to leave, this would herald the end of Europe, of its guiding principles and of all that has contributed to Europe’s nobility and success.

Europe’s success also hinges on our ability to seize the opportunities provided by foreign trade. I am not a proponent of the Transatlantic Partnership. We are currently finalising the trade agreement with Canada, which is a good agreement, the best we have ever signed. We have signed, or are about to sign, more than 140 trade agreements with the rest of the world. This time, the general public is completely focused on this Transatlantic Partnership with the USA.

## 6. The EU’s external relations

Europe is negotiating, but will not bow down to the Americans. We will not throw the principles which underpin Europe’s success out of the window. Yet I would like to say today, as I have said elsewhere, that we must not cut ourselves off from the rest of the world.

Each Euro billion added to the volume of our foreign trade, i.e. to the volume of our trade with others, allows us to create 14,000 jobs in Europe. We have just celebrated the fifth anniversary of the trade agreement with South Korea. The volume of foreign trade with South Korea accounts for €15 billion. Through this trade agreement alone, we were able to create more than 200,000 jobs in Europe. So, we must not act as though trade agreements are a gift to multinationals and a major source of capital, no. The social consequences, if the rules are followed, are clear.

## Conclusion

Ladies and Gentlemen, those are the brief comments I wanted to make today. I would also say that young people must not lose hope. Europe must be seen for what it is. It is the smallest continent, although it believes it is very large. It is a continent that currently represents 25% of global GDP while as much as 80% of this global added value originates from outside the European Union. Our share of global GDP will be subject to a downturn, dropping to around 15%. We are also suffering a demographic decline. At the start of the last century, Europeans accounted for 25% of the world’s population; at the end of this century, Europeans will account for 4% of the 10 billion people on Earth.

Anyone who starts to explain, especially if it is believed to be timely - presidential elections and so on - that the time has come for us to regroup into small national divisions rather than joining forces to assert our existence in the world - for Europe, existing in the world means defending our values in the world, defending

Europe's position, not against others but by asserting its own identity - has got it very wrong. We must not think that Europe is past its prime.

And we must not lose patience and energy, as we will need both qualities to achieve our great ambitions. We will need a great amount of energy for the long road ahead.



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