

State of the Union 2016

DeHavilland EU

Introduction

European Commission President Jean-Claude Juncker this morning delivered his second annual State of the Union address in the European Parliament, which was then debated by MEPs.

President Juncker referenced a number of ongoing struggles faced by the union - on free movement, rule of law, and taxation - and spoke of what the EU could do for young people, to protect its steel industry from dumping, and on protecting borders.

Continue reading for a full report on President Juncker's speech and the reaction from MEPs. See below for a summary of the more concrete measures proposed today:

At home

- Double the size and the scope of the **European Fund for Strategic Investments**
- Accelerate the **Capital Markets Union**
- Table a package of measures under the Digital Single Market: on **copyright**, **5G deployment**, and **wireless** internet
- Continue to push for the proposed amendment of the **Posted Workers** Directive
- Reinforce the powers of **Europol**
- Create a **European Travel Information System** for arrivals

Abroad

- A new **Investment Plan for Africa** and the Neighbourhood
- Create a **European Solidarity Corps**
- A **European Strategy for Syria**, with High Representative Federica Mogherini as a full 'European Foreign Minister'
- Create a single HQ for EU military operations & move towards **common military assets**
- Create a **European Defence Fund**
- Ratify the EU-Canada trade agreement (**CETA**) as soon as possible



**Speech of
Commission President
Jean-Claude Juncker**

State of the Union

**Live Report by Alexander Saeedy,
journalist for DeHavilland EU**

President of the European Commission Jean-Claude Juncker recalled what he said one year ago before the European Parliament: “inside our Union there isn’t enough Union”. “Despite the progress made, it still applies”, he said.

There were still many areas in Europe where Europeans find common ground, Juncker said, but he noted that it was never the Commission’s intention to turn Europe into a “colourless melting pot”.

Populism had created problems in Europe, he added, but he noted the positive progress Europe made against unemployment in the past year. However, “Europe is not social enough, let’s be clear”, he said. Debt in Europe continued to be too high, he continued, and he said “intelligent flexibility” was needed above and beyond a compact that could hinder economic growth.

Some saw Brexit as the beginning of a disintegration process in the EU, he said, but he concluded that “the Union as such is not at risk”. Relations with the UK must remain on a friendly basis, but only those who accept the free

movement of persons and goods will gain access to the single market.

Nearly 30 million jobs in Europe depend on exports, Juncker stated. For every additional €1 billion increase in export volumes, come at least 40,000 jobs, and on these grounds, the Commission remained in support of a free-trade agreement with Canada, he said.

Likewise, Juncker called upon Member States to ratify the COP21 Paris Treaty soon as possible, particularly in the wake of the US and China’s agreement to ratify the treaty at this month’s G20 summit. “Dragging out feet undermines our credibility”, he said.

While the EU was not a ‘United States of Europe’, it was an ultimately stronger and more diverse union, Juncker argued. But, the citizens of Europe cannot be fooled and must be clearly reckoned with, he said.

He added that it was time to overcome the divisions of East and West that had recently festered. Europe was ultimately a force for peace, from Spain to Cyprus, and it was no coincidence that an unprecedented period of peace had come with the foundation of the European Communities, he said.

Europe stood against the death penalty and supported independent, effective systems of justice, which support both



Image courtesy of European People’s Party

economic growth and fundamental rights, he said. The EU likewise needed to build a social market economy without social dumping, he said, and he called attention to the Commission’s delivery of a substantial crackdown on tax evasion.

Being “European” also meant standing up for the EU’s steel industry and protecting it from unfair competition, Juncker stated. “We should not be naïve free traders”, he said, and he pointed to the American reply to Chinese oversup- ply as a possible example for the EU.

The Commission would also stand by European farmers, he added.

The European Central Bank’s monetary policy had saved the Eurozone €50 billion in interest payments, Juncker claimed. Government should take this opportunity for proactive public investment and debt reduction, he argued, and he endorsed the goals set out in the Five Presidents’ Report of 2015.

Juncker added that the Commission was prepared to bring forward reform for Europe’s telecommunication market

and to proactively support increased internet connectivity.

He also noted the Commission's proposed overhaul of copyright rules. "Journalists and authors should be paid fairly, whether they publish through printers or through hyperlinks", he said.

He also praised the European Fund for Strategic Investments (EFSI), which had already raised €160 billion for European investment. The Commission was proposing today to double the duration of the fund, and with the Parliament's support, the fund could expand to €500 billion of active investment by 2020.

Europe needs good banks since its economy depends primarily on bank credit, Juncker said. However, he called for the greater acceleration of the EU's Capital Markets Union. It would increase the financial system's resiliency, he said, and it would offer more alternatives to bank financing.

The success of the EFSI inspired the Commission to propose an investment plan for Africa and the EU's eastern neighbourhood, Juncker announced, and it would offer crucial support in development aid for both areas, he said.

Juncker also insisted that the EU needed to invest in its youth. "I will not

accept that Generation Y will be poorer than their parents", he said, and he noted the possible influence of a European Youth Guarantee to build a social framework for apprenticeships and work across the European Union.

He noted that there was increased solidarity in the EU's approach to the refugee crisis, but he argued that solidarity must be voluntary and called upon the Slovak Presidency of the European Council to bridge differences between Member States concerning migrant integration.

Europe must fight against terrorism, Juncker said. The EU had seen more than 30 terrorist attacks in the past year and it was paramount that it remain united in its reply to the threats, he argued.

He noted the importance of Europe's frontiers and institutions like Frontex in the struggle to keep the EU safe. A border-crossing registry was integral to the Union's defence, he said, and he noted the Commission's November proposal on an automatized passenger information system.

Juncker insisted that Europe consider what role it wanted to play on a global stage. If it were content to be a soft power, it must be content with having no seat at the table concerning Syria, he said. While the EU suffered from the

consequences of the Syrian civil war, it had no role in its resolution, he noted.

He also added that Europe could no longer depend on individual Member States' defence capabilities and signalled to the creation of a European defence union. While he insisted that "more European defence does not mean less transatlantic cooperation, the plan justifies itself completely" in economic terms. He also proposed the creation of a European defence fund to pool funds for R&D.

Europe must be better explained to its citizens, Juncker argued. He had encouraged all of his Commissioners to routinely visit national parliaments in the past year, he said, and he swatted aside slanderous critiques of the Commission as isolated, overpaid, and out of touch.

The Commission focused on those areas where it could deliver value added to the EU and where solidarity and subsidiarity met each other, he said.

Juncker noted that he and the European project were nearly the same age. There would always be pessimists and optimists, but in between the two lay a great political space for action and initiative, he said.

"Europe has a great mission in the world", he said, and he called upon the

will of Europe's current politicians to move past its current cleavages. "History will not remember us, but it will remember us for our errors. May our errors not put an end to the European dream", he concluded.

Key Documents

- Transcript of speech [[here](#)]
- SotEU brochure [[here](#)]

Reaction from MEPs

Views from the Council

Representative of the Slovak Presidency of the European Council Ivan Korcok noted the unprecedented challenges that stood before the EU.

The Slovak Presidency intended to bring tangible results to EU policy and stop European fragmentation, he said, and he called attention to the upcoming informal Council summit in Bratislava, which would be “an overdue beginning of a reflective process on the EU”, he said.

A successful European defence union required equal participation between Member States, he added, and he reaffirmed the Slovak Presidency’s commitment to stronger inter-institutional agreements in the EU.

Reactions from EP Groups



Manfred Weber MEP (EPP, Germany) noted the overwhelming desire of young Europeans to preserve and strengthen the European project. Over 250,000 European youths had come together this summer in solidarity, he noted, and he applauded the welcoming attitudes of the younger generations.

Europe needed concrete solutions to its problems, he said. The European way of life was under threat, he claimed, and he called for its defence inside a broad European umbrella.

Likewise, Europe’s identity and its rootedness in Christian history should be defended, he said. A true Europe meant solidarity of the wealthy and the poor, of more successful nations and those who struggle.

Exports were the key to delivering jobs, Weber argued, which meant that the EU should rally behind a free trade deal with Canada. He likewise called for an end to excessive indebtedness inside the EU and to political in-fighting, which he termed “cheap populism”.

Then, he pointed to the voting records of nations like France, the Czech Republic, Poland, and Italy in the European Council.

All of these nations had only once voted against any motion in the Council, and yet they hypocritically used Brussels as a punching bag in a domestic political arena, he noted. He called upon national leaders to start being accountable for their choices in Brussels and concluded his speech.



Gianni Pittella MEP (S&D, Italy) thanked Juncker for the clarity in his speech and for avoiding the word ‘austerity’ in his remarks. The S&D’s support would be dependent upon Juncker’s ability to deliver on his commitments, Pittella said.

He added that the apocalyptic remarks about the EU in the wake of Brexit had been proven false, and he sharply criticised the political strategies of both British Prime Minister Theresa May and German Finance Minister Wolfgang Schaeuble.

He also called for an end to the EU’s sanctions and penalties for its own members, emphasized the need for Europe to support its citizens, and endorsed the work of Federica Mogherini towards a common European foreign policy.



Syed Kamall MEP (ECR, UK) first called attention to the choice of British citizens to leave the EU, and he noted that the voices of discontent stretched far beyond the English Channel.

His group was deeply worried that “Project Europe has been set to cruise control and its drivers are unwilling to

pump the breaks”, he said. President Juncker attempted to brand his speech as a re-launch of the EU, but it was all still status quo, Kamall argued.

Calls for more Europe would only further alienate citizens and integration was ultimately responsible for nationalism, he said.

Jobs should be at the centre of the President’s SOTEU, he claimed, and he stated that in the next European treaties, the EU should be reimagined within the flexibility of a network rather than the solidity of a bloc. He likewise criticised the unfair application of EU rules to different Member States.



Guy Verhofstadt MEP (ALDE, Belgium) rebuked Kamall’s claims that European federalists were responsible for nationalism inside the EU. However, he noted that older generations had ceased to believe in European solutions to their political problems, which now included terrorism, tax evasion, international crime, and migratory flows.

Altogether, nationalists in Europe preached a false sense of security, Verhofstadt concluded. He asked, however, how the supranational nature of world affairs, ranging from terrorism to climate change to world finance, could

be stopped by borders and walls.

He added that this imbalance of local politics and global problems were the dynamic ultimately responsible for the 2008 financial crisis. Altogether, European solutions were needed inside the scope of national democracy, he said.

He then endorsed all progress to be made on a European Defence Union. "Americans should not be the ones taking responsibility in our neighbourhood", he said, and he then invoked the spectre of a Donald Trump presidency.

Then, he argued in support of stronger governance structures inside the Eurozone as outlined in the Five Presidents' Report of 2015. He also called for a common European policy on migration and asylum as soon as possible.

GUE/NGL

Gabi Zimmer MEP (GUE/NGL, Germany) began and insisted that EU institutions must immediately be profoundly cleaned and reformed. "The house of Europe must be made liveable for everyone", she said.

Europeans had lost faith in the European project, and if the EU didn't change its perspective, in its push for integration "the snake will eat its own tail", she claimed.

However, Member States were responsible for "rolling out the red carpet to nationalism", she argued. The European Union needed to be made increasingly democratic, Zimmer argued. She criticized the domination of the European Council and lobbyists in EU decision-making and called for concrete solutions.

Greens/EFA

Rebecca Harms MEP (Greens/EFA, Germany) called for EU citizens to collectively defend their values better.

She noted that there were increased calls for competences in Brussels, but she said this would take some time to be feasible. Trust needed to be regained not only for the EU, Harms claimed, but also for the existence of open, pluralistic, and liberal societies.

She added her hopes for the continued ceasefire in Syria and Africa and called for continued solidarity in the EU in support of those who suffered from violent misfortune.

However, if EU citizens increasingly felt as if "banks were being saved, while hospitals and schools were rotting", this kind of solidarity would be difficult to find, she concluded.

EFDD

Nigel Farage MEP (EFDD, UK) first sarcastically congratulated former President of the European Commission José Manuel Barroso on his new appointment at Goldman Sachs, and he suggested the firm may be ready to welcome President Juncker with open arms once his tenure concludes.

It was clear that no lessons had been learned from Brexit, Farage argued. And given the adamant proposals made toward a European army, he expressed his doubts about the supposedly peaceful aims of the European project.

Opposition would only continue to grow across Europe, Farage claimed. Then, he criticised the appointment of Guy Verhofstadt MEP as the European Parliament's head negotiator in Brexit talks and called him an EU nationalist. "You will inevitably drive us to no deal, leaving the UK and the EU to trade on WTO terms" Farage said. He called for a new negotiator in the Brexit talks and concluded his speech.

ENF

Marine Le Pen MEP (ENF, France) called President Juncker's speech "an elegy for the European Union" and added that there was no new content in

his words.

The peoples of Europe wanted to re-discover their independence and their liberty, she claimed, and she took issue with Manfred Weber MEP's claim that European youth were rallying behind the European project.

"Brexit had ended a taboo in Europe", Le Pen claimed. Now that the apocalyptic visions of the collateral from an EU exit had been proven wrong, the door for pragmatic exits from the EU stood wide open, she said.

Without national borders, the EU had permitted terrorism, Islamism, and rampant crime, she argued. She noted that it was finally time to let the nations liberate themselves, to let them cooperate among themselves, and to let the peoples of Europe determine their own destiny.

Diane Dodds MEP (NI, UK) claimed it was time to build a mutually beneficial relationship between the UK and the EU. The trade links between the two parties were too strong to simply part ways, she said, and she called attention to the particular challenges Brexit posed for the people of Northern Ireland.

An EU frontier dividing Ireland and Northern Ireland presented challenges,

but she noted her pride to stand with her fellow British countrymen. She also called attention to the Common Travel Area shared between the EU and UK before the latter had joined the Union.

Other MEPs

Herbert Reul MEP (EPP, Germany) noted that the European Parliament must take strong positions against populism and not merely follow the “flow of popular emotions”.

Maria Joao Rodrigues MEP (S&D, Portugal) said that the Commission needed to present a better road map with European solutions to the Union’s serious shortcomings.

“All European citizens should be able to depend on an equal level of living standards”, she argued, and she noted that the EU should become a medium for social convergence.

Ulrike Trebesius MEP (ECR, Germany) criticized President Juncker as “old, tired, and worn out.” He stood for a failing EU, she argued, and she called attention to the massive economic crisis that continued to plague southern Europe.

She also agreed that Guy Verhofstadt MEP was not the right choice as the Parliament’s pointguard in Brexit nego-

tiations and suggested that “Europe à la carte” could be the right cure for the EU’s illnesses.

João Ferreira MEP (GUE/NGL, Portugal) criticized the gargantuan influence of the European Council on EU decision-making. People simply want more jobs and good wages, yet they were “constantly under threat” in the EU, he said.

He further criticised the sanctions levied on Portugal and said “it was time to do away with the Union of Juncker, Barroso, and Goldman Sachs, which will do nothing for workers”.

Laura Ferrara MEP (EFDD, Italy) criticized the lack of balance in European policymaking towards technocrats, elites, and big banks, and she pointed to the long-term negative impacts of austerity politics inside the EU. “We shall continue to say no to this path”, she said.

Matteo Salvini MEP (ENF, Italy) noted that everyday people were well aware of the risks of Islamic terrorism, which “the EU finances with every boat that comes to Europe”.

He criticized the EU-Turkey deal and the euro, which he called “a criminal currency”. He also called attention to a rising wave of populist awakening in Europe.

Martin Sonneborn MEP (NI, Germany) discussed the hypocrisy of the Irish government in its refusal of Apple’s owed tax revenues. “Take the money and run. You can buy many iPhones with them. Consider it over some whiskey”, he concluded.

Janusz Lewandowski MEP (EPP, Poland) said there was no reason to hold much optimism, given how much anxiety and fear plagued the EU. He expressed approval for the aims of the Bratislava summit but noted that EU policy could devolve towards “the lowest common denominator”.

Sergei Stanishev MEP (S&D, Bulgaria) called for the EU to take a more proactive position for the welfare of its citizens. He also insisted that EU policy begin to focus on youth, which could invigorate faith in the EU, he said.

Roberts Zile MEP (ECR, Latvia) said that little substantial discussion had been had on the content of the Stability and Growth Pact, and he noted that capital markets would need to be moved out of London well before a Brexit had been finalised.

He also asked for further clarification on the relation of the European Defence Union to NATO and Russia.

Marisa Matias MEP (GUE/NGL, Portugal) called upon President Juncker to

toss aside his platitudes. She accused the Commission of hypocrisy for letting Germany and France sidestep the EU’s fiscal rules, while Portugal endured “the most severe austerity inside the Union”.

Peter Lundgren MEP (EFDD, Sweden) noted that everyday citizens had lost their confidence in the EU. Sweden had always been neutral on military matters, he noted, which made the Commission’s support for a European army quite worrying, he said.

Harald Vilimsky MEP (ENF, Austria) called for a return to the fundamental concepts of sovereignty and subsidiarity in EU governance. He also gave his support for the positioning of the Hungarian and Polish governments vis à vis the Brussels institutions.

Alain Lamassoure MEP (EPP, France) expressed his support for the first foundations of a European defence federation and noted that “military means are only tools at the service of a pre-defined foreign policy”.

More than 25 years after the Cold War, it was shameful that the EU was unable to speak in a single voice to Russia, he said.

Esteban González Pons MEP (EPP, Spain) noted the many tragedies Eu-

rope had suffered in the past year, from the attacks in Brussels to organized crime's entrance into the refugee crisis. She said that solidarity between Member States "was clearly not working", but she said that the institutions could count on her for support.

Tanja Fajon MEP (S&D, Slovakia) criticised the aura of mistrust that currently surrounded the European institutions, but she said that institutions should not be too hesitant in further progress on security and defence.

Lorenzo Cesa MEP (EPP, Italy) called for stronger border controls and for a coherent European foreign policy, and he noted the high levels of youth unemployment in certain areas of the EU. He also asked if the bail-in rules for banks had properly protected and helped all citizens.

Kathleen Van Brempt MEP (S&D, Belgium) said that the European Parliament should be in "a collective depression" in the wake of Brexit, but she noted that it was their duty to provide specific answers to the problems before them.

She said that the S&D group was committed to the fight against social dumping, and she said President Juncker should pay more attention to the shape of the new, modern economy.

What was most need in Europe were investments that boost this "transition economy", she said.

József Szájer MEP (EPP, Hungary) welcomed the Commission's new emphasis on internal security. Hungary's treatment of migrants was completely "inhuman", he said, but he noted that illegal immigration was proving a terrible problem for the entire continent and called for more "rational decision" on migration.

Isabelle Thomas MEP (S&D, France) reminded the Parliament that European citizens were waiting for swift action.

The EU needed an amended budget for 2017, she said, and any support for initiatives on defence or security must only be agreed with new appropriations for future investments, she concluded.

Paulo Rangel MEP (EPP, Portugal) asked the Commission for clarity on Spain and Portugal's exclusion from EU structural funding after their fines for failing to meet budget targets in 2015.

"They should not be sanctioned", he said, and he noted that only the Portuguese state was at fault, but "not its people and not its companies". Punitive action would only increase populism and erode the foundations of European integration.



Image courtesy of David Iliiff

Josef Weidenholzer MEP (S&D, Austria) called attention to the challenges for European politicians to overcome in the next year. He noted his support the Commission's announced initiatives for digitalisation while calling attention to "the right standards" for any data protection package.

Othmar Karas MEP (EPP, Austria) sought to convey the very real sense of urgency inside European politics. He said that too many politicians were working against each other, instead of coming together for a common cause. A common migration policy was also necessary for the EU, he stated.

Richard Corbett MEP (S&D, UK) noted that if Brexit were done too hastily, it would be an inevitable disaster for both sides.

Everyday, new legal hurdles appeared that the Leave campaign had never mentioned, he said, and he argued that the "British government still has no clue as to what it want to do". He concluded that Brexit was hardly a settled question and that more uncertainty lingered on the horizon.

Udo Bullmann MEP (S&D, Germany) criticized the President's speech for a lack of coherence and requested that he share his vision of a 'bold Europe' with

the Parliament. He called for greater flexibility in the application of the Stability and Growth Pact, including distinctions if a country was successfully fighting unemployment.

Iratxe García Pérez MEP (S&D, Spain) admonished the EU for its loss of direction in the past decade. However, solutions were possible through common, cooperative approaches, she said, and she said that EU politicians should make more demands for a fiscal pillar. “We don’t want the European dream to disappear”, she concluded.

Juan Fernando Lopez Aguilar MEP (S&D, Spain) said there was no worse sign of deterioration in the EU than Brexit and then criticized the gap between the Commission’s words and deeds.

Vicky Ford MEP (ECR, UK) called attention to the many British citizens who had stood in solidarity against the recent hate crimes in the country, and she noted the general wish for a calm and peaceful negotiation in the UK. A good deal for both sides would take time, she said. She also endorsed Commissioner Kristalina Georgieva for the position of United Nations Secretary General.

Julia Reda MEP (Greens, Germany) criticized President Juncker’s State of the Union as both analogue and

corporate. She noted her disappointment in his tenure as President of the Commission. “You promised copyright reform that would tear down borders, but you’ve barely touched differences in copyright laws. Now, you are telling us publishers should be paid for hyperlinks in the articles. It will be harder for European technology to compete in this atmosphere”, she said.

President of the European Commission **Jean-Claude Juncker** expressed his thanks to the Parliament for the fruitful debate. There was considerable agreement between the groups of this house, he said, for which was very grateful. He clarified that the EU remained in intensive diplomatic relations with Turkey, but he noted that Turkey remained far away from meeting the EU’s requirements for visa liberalisation.

He expressed his pleasure that there was broad support for “a strong, social Europe” and he said the Commission would soon submit its proposals on new basic pillars for the European Union.

Marcel de Graaff MEP (ENF, Netherlands) accused the Commission for exposing European citizens to the dangers of terror, Islam, and refugees with no respect for European culture. “Millions of Europeans have been shoved into unemployment”, he noted, and it was unfair for them to pay the

costs of housing refugees, he said. He called for the return of sovereignty to Member States and for the EU to expel all migrants.

Nigel Farage MEP (EFDD, UK) noted the EU’s volte-face on a European army in the wake of the Brexit referendum, particularly on the subject of parallel command structures. “Once the EU has its own independent military force, the argument to use it begins to grow”, he predicted.

Rebecca Harms MEP (Greens/EFA, Germany) noted the democratic obligations the EU had to countries like Turkey and Ukraine. A successful future in Europe was only possible through collective action, she said, and ultimately, she concluded, a better future was only possible in Europe.

Gabi Zimmer MEP (GUE/NGL, Germany) noted that public support for the EU could grow with a stronger common policy and asked the Commission’s further clarification on future PNR agreements with third countries.

Guy Verhofstadt MEP (ALDE, Belgium) described Nigel Farage MEP’s comments on his nationalism as the ramblings “of an alcoholic who’s angry that another person is drinking in a pub”.

Nationalists and populists had no

interest in Brexit, but in destroying the European project, Verhofstadt argued. He said it was “ridiculous” for European politicians to be attacked for wanting a European defence union and cited US President Barack Obama’s support for the project.

Syed Kamall MEP (ECR, UK) felt that the European Parliament could not be blamed for nationalism, but he countered that if the Parliament “continued to ignore citizens rather than make jobs”, voters would be driven into the hands of populists. It was time to do away with “the same old mantras”, he concluded.

Gianni Pittella MEP (S&D, Italy) accused nationalists of misleading the people of Europe with their “lies”, and he called for the European capital markets union to have an additional political component.

Manfred Weber MEP (EPP, Germany) expressed his belief in the fruitful cooperation of the European Parliament and the European Commission in the coming year. However, he noted the many roadblocks ahead for the EU, from the north-south divide to immigration. He called for the Council to step up to the plate and deliver results. He also recalled the landmark levels of support for the EU inside Germany in the months after the Brexit vote.