



European
Commission

TWO VISIONS, ONE DIRECTION

PLANS FOR THE FUTURE OF EUROPE
as laid out in President Juncker's *State of the Union* and
President Macron's *Initiative for Europe*



European **Political**
Strategy Centre



Two speeches, one vision

In September 2017, President Juncker and President Macron laid out ambitious proposals for the future of Europe. In their respective speeches, both mark a hope for the beginning of a new era after the polycrisis of past years. The State of the Union (SOTEU) – delivered by the President of the European Commission on 13 September – is by definition more than a speech. It outlines the European Commission's work programme and legislative proposals for the next year, and sets out the President's broader vision for the future. The 2017 speech was President Juncker's third and arguably most important, given the 'wind in the sails' that the European project currently enjoys: increased public support, improved economic and social conditions in Europe, but also the need to be more united given the growing instability abroad. President Macron's 'Initiative for Europe' speech on 27 September outlines the French President's vision for the future of Europe and the future role of France in this Union. It follows from his openly pro-European election campaign and the continued commitment he has shown in the first few months in office.

Significant convergence

There is a high degree of overlap and convergence across these speeches, both between the visions outlined and the concrete initiatives proposed. President Juncker presents a 'Roadmap for a More United, Stronger and More Democratic Union', and President Macron echoes this with 'A Sovereign, More United and Democratic Europe'.

They share:

- Concerns over Europe's long-term prospects and a desire to shape Europe's future
- An ambition to strengthen Europe's unique value proposition at home and abroad
- A focus on action and delivery

Slight nuances

They diverge partly on questions of timing for delivery: the SOTEU, by its very nature, is in equal parts concerned with those initiatives and actions that can still be delivered under the current mandate of the European Parliament, i.e. in the next 18 months, and those designed with a 2025 perspective. President Macron presents a two-stage process centred around the European Parliament elections in 2019, and the following ones in 2024.

They also differ in their method. President Juncker's overriding concern is the unity of the EU27, although he leaves open the possibility to advance initiatives with a smaller group of countries in instances where no consensus can be achieved. President Macron, on the other hand, explicitly calls for more differentiated and flexible institutional arrangements to support his vision, including enabling those Member States which want to do more, to do more. Whilst all of President Juncker's proposals could be implemented on the basis of the Lisbon Treaty, some of President Macron's proposals would require Treaty change and more far-reaching institutional innovation, therefore requiring significantly more time.

Repair or rebuild?

In this sense, while President Juncker wants to fix Europe's roof 'now that the sun is shining', President Macron outlines a vision on how to rebuild the European house.

Out of the proposals put forward by President Macron in his speech of 27 September, about **80% are already proposed or foreseen in the European Commission's work programme**, as outlined on 13 September in President Juncker's Letter of Intent to European Parliament President Antonio Tajani and to Estonian Prime Minister Jüri Ratas.

What follows is a comparative assessment of the two speeches and of the proposals they advance.



Disclaimer

The views expressed in this paper are those of the authors and do not necessarily correspond to those of the European Commission. The quotes taken from President Macron's *Initiative Europe* address are not official translations but have been provided by the EPSC.

TRADE



'I want us to strengthen our European trade agenda (...) Yes Europe is open for business'

- **New trade agreements** with targeted countries
- Greater **transparency**: publication of all draft and final negotiating mandates
- Increase **reciprocity**
- Export European social, environmental, data protection and food safety standards
- Defend strategic interests: **a new EU framework for investment screening**

'I hear the ambitions carried by some, but I say to them: Take heed, I am ready to follow you but on the condition that this trade policy be profoundly renewed and changed'

- Yes to **new trade agreements** but not on the basis of old rules
- Greater **transparency** in negotiations
- **Reciprocity**
- Social and environmental **standards**
- Defend strategic interests: **a European trade prosecutor**

Commonalities and nuances

- **Significant convergence**
- Focus on standards, transparency, and reciprocity
- Both agree on the need to defend strategic interests and support investment screening. But additionally, President Macron proposes an institutional change by calling for the establishment of a European trade prosecutor
- Trade as an instrument to shape a fairer, more inclusive globalisation

CLIMATE, ENERGY AND SUSTAINABLE DEVELOPMENT



'I want Europe to be the leader when it comes to the fight against climate change'

- Proposals to **reduce the carbon emissions in the transport sector**
- Investing in clean cars of tomorrow
- Link to industrial policy
- Increasing the use of qualified majority voting for decisions on **energy infrastructure**

'I sincerely believe that Europe must be at the forefront of an efficient and fair environmental transition.'

- European **industrial programme to support clean vehicles** and the required **infrastructure** (charging stations, etc.)
- Fixed, **minimum carbon price** within the EU and a **carbon tax** at EU's border
- A **better functioning Energy Union** with better interconnections
- Reforming the **Common Agricultural Policy (CAP)**

Commonalities and nuances

- **Significant convergence**
- President Macron adds a proposed reform of the Common Agricultural Policy, with stronger emphasis on food safety and greening

DIGITAL, INNOVATION AND INDUSTRIAL POLICY



'I want to help our industries stay, or become, the number one in innovation, digitisation and decarbonisation... And I want us to better protect Europeans in the digital age. Cyber-attacks can be more dangerous to the stability of democracies and economies than guns and tanks.'

- **New Industrial Policy** strategy based on innovation, digitisation and decarbonisation
- **European Cybersecurity Agency**
- New rules to **protect intellectual property, cultural diversity and personal data**
- Exporting Europe's **standards** on data protection
- Moving to qualified majority voting for decisions on **fair taxes for the digital industry**

'Throughout Europe, we must do all we can to create digital champions... And we must reinforce our cybersecurity.'

- Global promotion of the EU model **combining innovation and regulation / security**
- Measures to **attract foreign talent**: scientists and entrepreneurs
- Establish – within 2 years – an **Agency for breakthrough innovation**, jointly funding new fields of research, such as **artificial intelligence**, or those that have yet to be explored (possible **Franco-German alliance** to give first impulse)
- Ensure equity and confidence in the digital transformation by defining norms, by rethinking the tax system (**taxation of digital companies, through a tax on value created**), by **regulating the major platforms and by protecting copyright in a digital era**

Commonalities and nuances

- **Significant convergence**
- President Macron proposes the creation of a new agency on breakthrough innovation. The EU already funds breakthrough innovation through its Horizon 2020 Programme and has set up a European Institute for Innovation and Technology (EIT) in 2008 to enhance Europe's innovation potential. These efforts are also supported by the newly established **European Innovation Council** which was set up earlier this year. In addition, the European Research Council has for over a decade funded research on breakthrough technologies.
- While President Macron does not specifically mention the setup of a **Cybersecurity Agency**, he stresses the need to reinforce European cybersecurity

SECURITY AND JUSTICE



'The European Union must also be stronger in fighting terrorism. In the past three years, we have made real progress. But we still lack the means to act quickly in case of cross-border terrorist threats.'

- Tasking the new European Public Prosecutor with **prosecuting cross-border terrorist crimes**
- **Bolstering Europol's Counter-Terrorism Centre**

'In the face of international terrorism, our shield lies in a Europe of security.'

- Extending the **European Public Prosecutor's** competences to fighting terrorism and organised crime
- Amplify fight against **illegal financing** of terrorism and Internet propaganda
- **European Intelligence Academy** to create closer ties among Member States in the fight against terrorism

Commonalities and nuances

- **Significant convergence**
- Both Presidents highlight the need for strengthening EU **intelligence cooperation** but President Juncker wishes to do so by bolstering an existing agency, Europol, whereas President Macron calls for a new institution to be created

SCHENGEN



'We need to open the Schengen area of free movement to Bulgaria and Romania immediately. We should also allow Croatia to become a full member once it meets all the criteria.'

- Admit Romania and Bulgaria to the Schengen area
- Await the October/November 2017 assessment of whether Croatia fulfills the requirements for joining the Schengen area

Commonalities and nuances

- While President Macron did not address Schengen explicitly in his speech, during an official visit to Romania in August 2017, he stated that Romania was right to request joining the Schengen area of free movement, and had been so for some years as the necessary requirements have been fulfilled

ENLARGEMENT



'If we want more stability in our neighbourhood, then we must also maintain a credible enlargement perspective for the Western Balkans.'

- **Preparing the ground for enlargement during the next Commission's mandate** (Serbia, Montenegro)
- Focus on **rule of law, fundamental rights and the fight against corruption**, and on the overall stability of the region
- **Accession of Turkey ruled out for the foreseeable future**, due to infringement of rule of law, justice and fundamental rights - although the hands of the EU remain outstretched to the Turkish people

'This Union will have to open up to the Balkans once they fully respect the EU acquis and democratic requirements'.

- Clearly states that **Turkey does not yet fulfil the requirements for accession**

Commonalities and nuances

- **Significant convergence**
- Both highlight the need to expand to the Western Balkans by 2025
- President Macron does not specifically mention the suspension of Turkey's accession process but he clearly states that the country does not today live up to European values and standards

MIGRATION AND AFRICA



'Europe is and must remain the continent of solidarity where those fleeing persecution can find refuge.'

- Call for **reform of the Dublin system**
- Strong role for the **European Border and Coast Guard**
- **Improving conditions for migrants in Libya**
- **Step up returns** policy
- **Legal pathways** for migration and Blue Card for skilled migrants
- Tackling migration **at the source: Africa Trust Fund**



'We must choose between a withdrawal within our borders – which would be both illusory and inefficient – and the construction of a common area of borders, asylum and migration... But even the most robust borders and the most ambitious security policies will not be able to hold off durable migration trends.'

- Harmonisation of asylum procedures and establishment of a **European Asylum Office**
- Progressive establishment of a **European border police force**
- Establish interconnected databases and secure biometric identification documents
- European **funding for integration and training of refugees**
- Tackling migration **at the source: Africa Partnership** and focus on the **Mediterranean**, as well as a tax on European financial transactions to finance development aid

Commonalities and nuances

- **Significant convergence**
- Both want reform of the Dublin system by 2018, strengthening Europe's external borders and creating legal pathways for migration into the EU
- On **Africa**, there is significant **overlap**: both insist on more investment in Africa, with some small nuances: President Juncker calls on Member States to show solidarity now by matching funds for the EU-Africa Trust Fund; President Macron suggests a new source of income (financial transaction tax)
- The call for the creation of a **European Asylum Office** was already proposed by the European Commission in its Migration Package of June 2016. The interoperability of security-relevant databases is also underway as part of the European Agenda on Security.
- Both highlight that **common borders require common protection**, although President Macron proposes to establish a European border police force. It remains unclear whether this refers to strengthening the current European Border and Coast Guard, set up on 6 October 2016, or if the intention is to develop a fully-fledged European border police with European staff. In the latter case, a modification of the Treaty would be required insofar as border control is still a Member State competence (cf. Article 77 (1) c) and 77(2)(d) TFEU and/ or Article 78 TFEU (common policy on asylum, subsidiary protection and temporary protection)

DEFENCE



'By 2025 we need a fully-fledged European Defence Union. We need it. And NATO wants it.'

- **European Defence Fund**
- **Permanent Structured Cooperation (PESCO)** in Defence
- By 2025 creation of a fully-fledged **Defence Union**



'Our objective must be to give Europe the capacity to act autonomously, in complementarity with NATO. What Europe lacks most today is a European Defence, a common strategic culture.'

- **Swift implementation of Permanent Structured Cooperation (PESCO)** and the **European Defence Fund**
- Calls for a European initiative and a fully deployable European armed force 'by the beginning of the next decade'
- Proposes that national armies open the possibility for hosting nationals from other EU Member States to join
- In the long term (Horizon 2020-2025) to reach a **common budget and a common defence force** ie, more defence integration
- **European civil protection force**

Commonalities and nuances

- **Significant convergence**
- President Macron's proposals to enable the **hosting of soldiers** in Member States could be achieved through a Common Security and Defense Policy decision. Article 42 (3) TEU states that 'Member States shall undertake progressively to improve their military capabilities'. This could be read as a way to improve military capabilities through exchange of knowledge and best practices
- President Macron's proposals seemingly raise the level of ambition – mentioning the development of **a common force, supported with a common budget on defence**. On a similar note, the European Commission and the European Council have stressed the need to take measures to ensure the deployability of EU Battlegroups (these multinational rapid-response EU forces have been operational since January 2007 but they have never been deployed)
 - Article 42(2) TEU allows for the creation of a common force of intervention understood as a 'common defence', in the terms of Article 42(2) TEU, by unanimity of the European Council
 - However, Article 41(2) TEU currently excludes expenditure arising from operations having military or defence implications being charged to the EU budget. If this Common Defence Budget is to be part of the EU budget, it would require Treaty change
- As regards the civil protection force, it is worth noting that the EU already has a **European civil protection mechanism** fostering cooperation among national civil protection authorities across Europe

SINGLE MARKET, SOCIAL EUROPE AND TAXATION



'Europe must be a Union of equality and a Union of equals.'

- Equip national authorities with stronger powers to **better enforce EU consumer and food quality laws** and cut out illegal practices wherever they exist
- **Create a common Labour Authority** – a European inspection and enforcement body to ensure that all EU rules on labour mobility are enforced in a fair, simple and effective manner
- Address social dumping by agreeing on the European Pillar of Social Rights – setting the basis for a **European Social Standards Union** (e.g. same pay for the same work in the same place) – as soon as possible and at the latest at the Gothenburg Social Summit in November 2017
- Qualified majority voting for decisions on the **common consolidated corporate tax** base, on VAT, on fair taxes for the digital industry and on the financial transaction tax



'The single market is the very soul of Europe... But today, Europe does not protect from social dumping; today we have let the European single market develop against the very philosophy of our united labour market. Today, Europe must build a genuine project of fiscal and social convergence.'

- **Supports President Juncker's proposal to put an end to double standards on food**, to combat fraud and guarantee food security
- **Supports President Juncker's proposal for a European inspection and enforcement body** to ensure that all EU rules on **labour mobility** are enforced in a fair, simple and effective manner
- Encourage **convergence** across the whole EU, setting **rules and criteria** (in the coming months and as the basis of MFF discussions) that **gradually bring social and tax models closer together** (e.g. minimum wage adapted to the reality of each country but progressively converging; convergence of social contributions towards the highest level but to the profit of the country of origin. This money would feed into a solidarity fund to benefit the poorest countries and help them converge)
- Accelerate the **harmonisation of corporate tax** (between France and Germany within the next 4 years) by agreeing, by 2020, on a range of rates that would bind Member States. Respect of this range would condition access to European cohesion funds
- **Franco-German initiative to fully integrate markets**, by 2024, by applying the same rules to their enterprises, from business law to bankruptcy law

Commonalities and nuances

- **Significant convergence**
- **President Macron openly supports a number of President Juncker's proposals**, namely stronger action against double quality standards and the establishment of a European Labour Authority
- President Macron's call for rules and criteria to encourage **social and fiscal convergence** is foreseen within the process established with the European Pillar of Social rights, due to be adopted by end November 2017 at the latest

EURO



'If we want the euro to unite rather than divide our continent, then it should be more than the currency of a select group of countries. The euro is meant to be the single currency of the European Union as a whole.'

- Facilitate access to the euro area to all Member States through a **Euro-accession Instrument**, offering technical and even financial assistance
- **No parallel structures**: No specific euro area budget, but a strong dedicated line in the overall EU budget & the Parliament of the euro area is the European Parliament
- A **European Minister of Economy and Finance** (possibly conceived as a Vice-President for economic and financial affairs, as well as chair of Eurogroup) that promotes and supports structural reforms in Member States. The new Minister should coordinate all EU financial instruments that can be deployed if a Member State is in a recession or hit by a fundamental crisis. He or she must be accountable to the European Parliament
- Encourage all Member States to join the **Banking Union** to ensure that all banks operate under the same rules and under the same supervision
- Transform the European Stabilisation Mechanism (ESM) into a **European Monetary Fund** (concrete proposals forthcoming in December). As access to ESM support is contingent on participation in the Fiscal Compact, this will also have to be the case when the European Monetary Fund is created



'A sustainable economic power can only be built around a single currency.'

- **The euro as the single currency of the European Union as a whole**. Need to make the euro area more efficient and more attractive. It's a question of unity
- **A strong euro area with a specific euro budget financed through European taxes** e.g. in the digital or environmental area, and through a percentage of its members' corporate tax, once harmonised
- Strong political leadership and coordination of economic policies under a **common Minister** (no indication as to who should fulfil the role) under parliamentary control at European level

Commonalities and nuances

- **Significant convergence**
- Both stress the importance of the **euro as the EU's currency**
- President Macron calls for a **separate euro area budget** (based on new, own i.e. European sources), whereas President Juncker favours a **euro area budget line within the Multiannual Financial Framework**. However, if the euro area budget were to be based on own resources, this would require a Treaty change, and if it were to be financed through a harmonised corporate tax, this would take some time to materialise
- Both speak of a kind of **European Minister of Economy and Finance**. However, President Macron seems to call for a broader mandate. If such Minister were to have the competence to issue binding decisions, this would require Treaty change
- President Macron makes no real mention of the European Monetary Fund or completion of the Banking Union

A MORE DEMOCRATIC UNION



'Our Union needs to take a democratic leap forward.'

- Continuation of the **Spitzenkandidaten process**
- Has sympathy for transnational lists in European Parliament elections
- Supports the organisation of **democratic conventions** across Europe in 2018 to continue the debate on the future of Europe up to the June 2019 elections
- More democracy and unity through more efficiency: **Merger of the Presidents of the European Commission and the European Council**
- The time now is not for **Treaty Change** and much progress can already be made using existing clauses, e.g. using the 'passerelle clauses' to move from unanimity to qualified majority voting in certain areas
- A **Subsidiarity and Proportionality Task Force** to help the EU focus on things that matter and to give back competences to Member States where it makes sense



'We must rebuild the European project, by and with the people, with a much stronger democratic foundation.'

- Continuation of the **Spitzenkandidaten process**
- Proposes **transnational lists** in European Parliament elections as early as 2019 – using the quotas of departing British MEPs – and for the 2024 elections, ensuring that half of MEPs are elected on transnational lists
- Organisation of **democratic conventions** across Europe in 2018
- More democracy and unity through more efficiency: **Reducing the number of Commissioners to 15 members**
- **Treaty Change** is not an end in itself but if the European project requires it, he is ready for it
- Reduce red-tape, and **empower the regional level** where necessary

Commonalities and nuances

- **Significant convergence**
- Both support the democratisation of European elections by continuing the **Spitzenkandidaten process**
- Both mention **transnational lists** for the European Parliament elections, with President Juncker seemingly more cautious, expressing only 'sympathy' and acknowledging that some MEPs disagree with the idea. President Macron, however, explicitly calls for such lists to be put forward as early as the 2019 elections and to go much further in the 2024 elections. It is worth noting that transnational lists, which would bring about a change in the composition of the European Parliament and the voting rules, requires a unanimous decision by the European Council. It is also worth noting that electing half of the European Parliament on the basis of transnational lists could run counter to Article 14(2) TEU and may require Treaty change
- Both are clearly supportive of more **citizen engagement**. The European Commission has a long tradition in this area, having organised in the last three years over 300 interactive Citizens' Dialogues in more than 80 cities and towns across 27 Member States. President Macron calls for democratic conventions throughout Europe

EDUCATION AND YOUTH



'I am particularly proud of the young Europeans volunteering to give language courses to Syrian refugees or the thousands more young people who are serving in our new European Solidarity Corps. These young people are bringing life and colour to European solidarity.'

- Praises creation of the European Solidarity Corps, first announced in the 2016 State of the Union speech



'Europe must be that space where every student speaks at least two languages by 2024. Instead of regretting our divisions, let us reinforce exchanges among ourselves.'

- A network of European Universities
- Harmonisation or mutual recognition of diplomas from secondary institutions
- Strengthening exchanges: Enabling half of school population under the age of 25 to spend at least 6 months in another EU Member State

Commonalities and nuances

- **Significant convergence**
- Both want to make European policies more citizen-centric and youth-focused
- The EU's **Erasmus+ programme** already covers exchanges of pupils, students, vocational trainees, apprentices and teachers.



European Political Strategy Centre

The European Political Strategy Centre (EPSC) is the European Commission's in-house think tank. It reports directly to President Juncker and operates under his authority.

The mandate of the EPSC includes: **strategic analysis and policy advice**, both short- and long-term, to the President and the College on issues related to the policy priorities of the Juncker Commission (as defined by the President in his political guidelines presented to the European Parliament on July 15 2014); and **outreach** to decision-makers, think tanks and civil society at large.