**Strengthening and upgrading our parliamentary strategic partnerships**
Jean Monnet House, Bazoche sur Guyonne, 16 September 2022

**Speech by the Secretary-General**

I have a relatively long title to serve today. If I see it correctly, it's called ‘Strengthening our parliamentary strategic partnerships to increase our resilience to future systemic shocks’.

I will try to go about it in a in a more systemic fashion, and maybe also I will try to put it in a wider context. Also, in view of - let us say - the fact that I've done certain years in the job and I am leaving on the 1st of January, so I would like to situate also little bit what we are doing here.

Therefore I would like to start with a very basic but fundamental question which I think we need to answer first, which is: *What is our strategic interest?*

Our strategic interest is to strengthen our system, which is the European Union, and to strengthen our sub-system, which is the European Parliament.

We have a system, which we are working in, which is the European Union, and we have a very important sub-system - but of course the most important sub-system - which is the European Parliament and we want to strengthen it. In the wording of the *Strategic Execution Framework* we call it 'we want to empower our Members for vibrant European democracy.’
So how can we go about strengthening? We can go about strengthening *ad hoc* or we can go about strengthening in a conceptual way. My preference during my time has always been to do it in a conceptual way.

*Ad hoc* is happening anyhow or is anyhow not happening, as it is *ad hoc*. But if you can address those kinds of questions in a conceptual way, you have a number of advantages:

The first is that suddenly it's becoming repeatable. Because you have developed a kind of frame and the frame you can use not only once, *ad hoc*, but you can use it regularly.

It's also becoming scalable. So you're not doing it once you're doing a 10 times 50 times hundred times. It's becoming part of your own DNA, if you have a concept.

It's becoming teachable. You can communicate about it, you can inform people about it, you can start to work in the direction that the organisation is thinking like this and thinking into the same direction.

And - what is also very important: it can become - if it’s conceptual - acceptable for third parties. Because if it’s just *ad hoc*, what is the reason to vote for this? But if there is a concept that may be can be shared by others, it can be acceptable, by third parties, which are our businesses always key, because we are not the only decision makers. Boys and girls at the Council, there is the Commission, the External Action Service.

So if we have concepts to sell and not just an action and those concepts are, in principle, also interesting for the third parties, we go much further.

I can refer to at least six concepts. When I woke up this morning and drafted this intervention, I could arrive to six. Normally, I have been trained to always rise to 10.

So a concept, a list which has only 9 is a disaster and 11 of course was very unordered. I am not sure about six - maybe six is still OK? I would like to take you briefly through and then come to our issue.

**The Strategic Execution Framework**

The Strategic Execution Framework provides a reflection tool and also a tool for action, where everybody in a 10 000 strong organisation can relate to. And with such a tool, we moved the organisation into project-based, which means a mind-set of permanent change, which fits very well to our own DNA as the European Parliament.

The Council started off as the monopolist and then you think you can just survive by defending the status quo. But by defending the status quo you can go five years, 10 years, 20 or 30 years, but at the end you will be losing out.

If you are the weaker part in the set-up, and that's where Parliament tradition is coming from, you cannot put your money on the status quo. We need to be a little bit revolutionary and you have to go for change. So, project based is very good for an organisation like ours.

**The legislative cycle**

The legislative cycle means we are breaking out of the limitation of just being an amendment machine. Weak link in the whole process for us: Parliament is not just intervening at a brief moment of the process, but we want to set the agenda. We are consulting. We are amending. And we are scrutinising. And then we start again with the agenda-setting.

So we are claiming the whole process for Parliament. We are an actor of the whole thing. Based on a concept, which than you can implement through projects.
Linking the levels

So, after we've made clear that we are an actor during the whole time, we are also making clear that we are an actor for the whole space, which is essential if we want a federal system, which has to link the levels.

Unused potential under the Treaties

So to turn the Treaties around from a toolbox for limiting us to an enabler, to a somebody which is giving us power.

The cost of non-Europe

We've tried to revive the cost of non-Europe about 10 years ago and it's very powerful because, if you're losing 600 billion because you're not going into digital, who can defend that? Nobody! And I remember that in the 2014 election campaign, several of the lead candidates were working with our tables. Martin Schulz was one of them; Jean-Claude Juncker was another of them.

Jean-Claude Juncker came to his candidature a little bit to his own surprise, he did never lot of concepts, so he said: Fantastic, I will take yours!

Systemic shocks

I would like to speak about systemic shocks as a concept and not just an idea, a paper, as study, it exists as a study. But as a concept, which helps us to strengthen our system, the European Union, and a concept to strengthen our sub-system, which is the European Parliament.

So, how does it work?

First: We made the experience at least since 2008, that we are basically pushed from one crisis into the next.


Then we had the issue of uncontrolled immigration, which became a political crisis in many of our Member States and was, let us say, was very helpful for some more extreme forces.

We then had Covid, and we now have Ukraine.

We can conclude from this that we are permanently, at least over the last 10 years, we've been permanently confronted with external shocks. That's how the economists call this. So, the European Union was put into a situation, when it had to address these external shocks and solve them in a certain way whether formally competent under the Treaties or not.

Covid, health, is this the European Union? Firstly, it was the Member States, but after six weeks the issue was handed over to the European Union. And we would have been in huge trouble, if we would not have found an answer to it.

And now let us take Ukraine. Is this a typical European Union issue? I would not say so. But if we had not found a common European Union answer to this, we would have lost legitimacy in the eyes of the citizens in a big scale. And that means we have to be prepared for those shocks, and we have to be able to give answers, and we cannot just say: it's not us, it's you.
We have to be able to give his answers whether we are formally competent or not, because even the Prime Minister's nowadays say: I cannot do it on my own, we have to do it together in the European Union. So, the issues are laying with us, so we need a different level of preparedness.

How can we go about it? We've been doing a lot of work last year with DG EPRS, also in close cooperation with myself, because we've tried to establish a methodology, how we could go about it.

So, how do we go about it? First step, we tried to identify and categorise the major risks to be better prepared. And the idea was to say, first category is, are they less likely or more likely?

If they are less likely, maybe you can be more relaxed - but if they are more likely or even if they are very likely, you need a different degree of responsiveness to that situation. First category.

Second category: Would so shocks just have an effect on a sector in a society or could they damage the overall system?

If it is limited in effect and less likely of course, you can be much more relaxed, but if something is very likely to happen and would touch the whole system, it means the whole system has to be activated to prepare.

So if you do that, you have a quadrant, we have four quadrants - you have on the bottom left less: we have less likely and only sectorial, which means we can be relaxed.

Example for the instrument for identifying the current and future risks
On the upper right, you are very likely and the whole system - that's kind of the red area where you urgently need to have a look at what is my standard time, what is my state of preparedness, and the other to quadrants are somehow somewhere in between.

So first step you identify what are the major risks: they are likely to happen and affecting the whole system. The whole system in our case: the European Union.

So how can we do that, of course we all have ad-hoc ideas, but is there also expert knowledge available on this? And the surprising thing is that there is an industry out there in the European Union and worldwide, which are specialised for this. And that's the reinsurance industry. It's not the insurance industry. It's the reinsurance industry.

So the reinsurance industry has to pay, if a nuclear power plant explodes, if climate change is becoming more and more devastating, if there is suddenly a civil war or a war. That's when the reinsurance industry has to pay. That's why the major companies employ thousands of experts to evaluate risk, because if they get it wrong the company might be bankrupt.

So there is an expert advice out there and then of course you can come in it's open for debate, with your own judgment, do not have to take it one for one, but you have an interesting starting point.

If you do it like this, you have already a first opportunity to be and to remain credible. What I've perceived as the major palm potential shortcoming in this exercise is that you might not be ready or we might not be ready to think the unthinkable.

I've been sounding for the last two years a little bit like a cold warrior at the latest since Russian troops were masked all around Ukraine not this time, but the last time. But again, to speak about the possibility or even the likelihood of war in Europe is something we do not like and we did not like to hear. We don’t like to accept this. We would prefer that the situation is just continuing as it is, but unfortunately it has proven that war is back on our continent.

So that exercise demands that we are ready to think the unthinkable and not moderating it away. And we have to do it for everything which is very likely to happen and systemic in its consequences.

So that's the first step: You have identified those risks and you have done it with expert input, of course, thinking yourself and then coming to some conclusions.

And then, logically, what should be the second step? The logic as a second step should be to answer the question: Are we prepared? Why aren’t we prepared?

And you also need to answer the question when we say ‘we are prepared’: who is ‘we’? Who is ‘we’ who has to be prepared?

So the European Union is a federal system, we are a federal union. We have to dare to use the F word: federal.

Federal means that we are not just the institutions in Brussels. Federal means we have a European level, we have national level, we have regional level, we have a local level and then we have the division of labour in Brussels - but we are not just the Brussels system.
And that fits to our conviction of subsidiarity, we are coming in when the others can solve the problem, which an increasingly is the case.

So when you look at the study of DG EPRS [*Future Shocks 2022 - Addressing risks and building capabilities for Europe in a contested world*], you find that they have been coming up with a pyramid model.

So we look at, are we able to have an answer first on the national level? If not, we go to the inter-governmental, if not, we go to integrated on the European Union level.

Why is this important? This is important because it shows that: if you analyse things like this, you are interested in: Is there a solution to the problem and not mainly to whether it is our competence?

If there is solution to the problem on the national level, fine. If there is a solution, inter-governmentally, acceptable, but if not, then we have to solve it at the integrated level of the European Union!

This approach is important and interesting, because you can build on this model consensus with the Council. Of course, the Council is coming from the other direction; Council is coming from the Member States. But also they have to accept: if there is a systemic risk very likely to happen, where there are no tools available, neither on the national level nor in the inter-governmental level, nor another level, then we have to do something about it!

So in our system - which is not just us, but also the Council and also the Commission - the power of concept, in the sense that it might be acceptable also for the other side of the table and not just *ad hoc*, is something very important.

So if there is a systemic risk very likely to happen, where we do not have the tools, then the only logical answer is: we have to build the tools. We have to fill a gap. We have a very, very strong case.

And therefore in the third step we can check, whether there is may be some initiative already on the way. Maybe we have had an own-initiative report on this or a resolution in Parliament, or maybe there's something in the Commission? So we can screen it with green, yellow, red. We see where there is anything already there, anything in the process and if not, maybe we start a legislative own-initiative report to put it on the agenda. And it will be very difficult than to refuse.

So, this means that we have a very interesting tool to shape the future. When you look at the Treaty, you see that the European Commission initiates the annual and multiannual programming of the Union with a view to reach interinstitutional agreement. We have *annual programming*, but we do not have *joint multiannual programming*. This is a tool, which could serve as a basis for interinstitutional joint programming, because it is based on objective analysis of systematic risk very likely to happen. A toolbox, which is empty and therefore you can identify what needs to be done, and it's constructed in a way that it's also acceptable for the Council and for the Commission to follow this reason.

So what are the major systemic risk in the area we are interested here, which are likely to happen? I consider them as totalitarianism and imperialism!
If we look back to the last hundred years on our continent, that's exactly what we were confronted with. From Nazi Germany to the aggressive behaviour of the Soviet Union, and nowadays Russia looking towards China.

In fact, this is also bitter travelling time, because empire was the normal state of affairs, historically: Having a smaller neighbour, you would absorb them and you would integrate them into your empire.

We are the alternative model in the European Union, but we are not so widespread around the world. We try to build a Union where the nation states are safe. So it's not a contradiction. The nation states and especially the nation states as they are constructed in the European Union, many of them very small - find their safety by becoming a member of the European Union.

So, we are seeing the request to go back, not do not go into a multipolar world but to go into a bipolar world. When you read the or when you listen to the speech that Vladimir Putin gave when he declared the war on Ukraine, in his nomenclature called 'special operation’, he was clearly asking for to go back into a bipolar world order.

And the content justification for this is: Where do you put the individual - and where do you put the bigger entity? What has which importance?

In a democracy, the individual person must have rights, which cannot be compromised. And you cannot compromise hinting at the bigger goal.

In Russia, clearly, Russia is the most important - and not the individual.

And in China, clearly, the future of the communist party is the most important and not the individual, and therefore you can have 1 million Uyghurs in re-education camps.

So, the idea of a bipolar world was not just that there are two poles, the idea of the bipolar world is also a fundamental challenge of what we believe in in the western democracies.

And that challenge, I think, has been taken up now by framing this concept also on our side as a conflict between democracy and autocracy. I believe, and that's also why we had our Innovation Day a bit under the theme, that this mega conflict is going to restructure everything and all policy areas.

We see alliance systems popping up in Asia for the conflict with China, so suddenly, India, Japan, Australia, are getting engaged. So what we had in Europe, with NATO and the transatlantic partnership in the frame of NATO, finds now a structural expression also in Asia.

But we can also see it across policy areas, we can see an overall trend of on-shoring rather than off-shoring. We are living in a world of de-globalisation where the transfer of technology is much more tightly controlled, where you would like to have your energy resources better, close and far away and when raw materials become also critical, as he could listen to it also in the state-of-the-union speech of President von der Leyen this week.

So, the policy responses that need to be given can no longer usefully be classified as internal policies or external policies. In fact, external policy is done with internal policy instruments and maybe even the other way round as well. Internal is external - external is internal. All it’s very fluid.
And that means for our organisation that we have to understand that the boundaries between different organisation entities are largely artificial: DG IPOL, DG EXPO, DG EPRS, all of this in fact, has to be combined and that's not easy in a public administration, which is always organised as a kind of division.

We have started trying to overcome this with horizontal cooperation, but I'm sure that this has to go much, much further. It was explained yesterday how you have done it inside of the DG EXPO already with your desk officer - this is one of the possibility - but I'm sure that a big leap still has to be done also in the overall administration.

And when you see the most recent decisions of this week of the Bureau: to appoint a new deputy Secretary-General, whose interest for legislative coordination was interestingly sitting not in DG IPOL, but in DG EPRS. When you see: that we have a new Secretary-General who’s got an ambitious focus, also because of where he is coming from, for legislative work. When you see: we have a new general director for DG IPOL, and anyhow a very dynamic director-general with Pietro for DG EXPO, you can see that this issue is obviously coming to the table: How do we combine forces and how do we cooperate in a much more efficient way?

We have also tried to give some structural responses: one of the first decisions I took when I was in office, was to establish the office in Washington, which at the time it was seen very, very strange. It gave me the privilege to have to answer questions in Budgetary Control Committee for many years about what is the usefulness of this construction.
And I remember that when I was discussing with John Bruton, who was the EU ambassador at this time in Washington to have one staff in Washington. It was the only place in Washington where I did not get a cup of coffee, because it was perceived as an insult. Anyway, we went ahead with three staff members and we went up to 12. And I think it is proving very useful, exactly because we have understood that foreign policy is legislation, is interior policy and not just classical foreign policy instruments.

Against our will, we have received a second office outside the European Union, which is the London office, and very important.

And we established offices in Addis Ababa, in New York with the United Nations and in Jakarta for ASEAN, embedded into the delegations of the European Union.

The next week I will spend in Ukraine. I've been invited by my counterpart from the Rada to visit, so I will do it with a small team. And I'm sure that in the Ukraine not only the future of Ukraine, but the future of our continent will be decided. Because if Ukraine wins - and I think that's now a real possibility - because they know what they are fighting for, they get the weapons they need and there are more people willing to fight than in Russia.

If Ukraine wins then, also, Russia will change massively, because it will become clear also to Russia that there is no future for Russia as a continuity to the Tsarist period, for Russia as an empire. And empire means, that you can treat your neighbours as colonies.

If Ukraine wins, Russia will no longer have the possibility to treat its neighbours as colonies, which means Russia gains maybe the chance to become a normal state. And therefore also to potentially become a partner again for us.

Thank you.