

# &quot;Strengthening Italy strengthens Europe, too&quot; – Remarks by President Charles Michel to the ‘Stati Generali dell’economia’



First of all, I would like to thank the Prime Minister (Giuseppe Conte) for inviting me to this inaugural session of your National Consultations. And I would like to congratulate you, and through you all the political leaders and representatives on all sides, the economic and social actors, for this unprecedented effort to establish a recovery plan for your country: Italy.

This coming together of forces is a key moment for Italy, just as it is also a key moment for the European Union.

To begin with, I would like to pay tribute to your country, which, at this stage of the extraordinary crisis throughout the world, is leading the way for other European countries, just as it did at the beginning of the pandemic. It is true that there was a time when the rest of Europe looked at Italy and the way the virus was developing with incredulity, perhaps even detachment.

But now we know that it was the Italian authorities that were leading the way, with measures that were subsequently replicated by other governments. And above all it was the Italian citizens who set an example to other Europeans with the discipline, endurance and courage which has enabled them to gradually stop the spread of the epidemic. In that respect it could be said that the other Europeans have all been “Italians”.

Not every country has been affected as severely as Italy. But if many have fared better, it is primarily because Italy was severely affected first. The tragedy in Italy, and subsequently also in Spain, raised awareness and pushed the rest of Europe to take drastic measures more quickly. That is something that should not be forgotten: Italy’s sacrifice probably indirectly saved lives in the rest of Europe.

The citizens proved themselves up to the task. It is up to us, the political leaders, to do the same now that we are in the recovery stage. That is what you must do with these Estates General. And that is what the 27 heads of state or government must now do at European level: agree on the European economic stimulus plan, drafted by the European Commission at the request of the Council.

You are familiar with this proposal. Ursula von der Leyen has explained the mechanics so I am not going to dwell on its contents.

However, I do think it would be useful to reframe the proposal in the context of our overarching objectives, in order to properly understand the elements

that will, I hope, make it possible to achieve them.

These objectives can be summed up in two words: rebuild and transform.

Rebuilding is clearly the most pressing need. We need to restart our economies, which have practically been brought to a halt. We need to restore the integrity of the internal market, which was disrupted by the return of controls to our internal borders. This crisis has shown us just how much prosperity across Europe relies on the economic fabric that links us all – those much-talked-about value chains. We don't just need to restore the single market. We also need to make sure that it can better withstand shocks in the future. Restoring free movement in the Schengen area – something which is not only precious to our fellow citizens but also fundamental for the proper functioning of the single market – is part of that same objective.

We all know that the negative effects of the pandemic and the (almost ?) cessation of economic activity are yet to come. Serious efforts will be needed to contain and counteract those effects, particularly the social ones, and get the machine running again. This is why – and no one disputes the need for this anymore – the European Union has taken action: to find ways to support the countries, regions and sectors most affected by the crisis.

In the Strategic Agenda adopted by the European Council in 2019, we had already set ambitious objectives to organise a far-reaching redeployment of the European Union based around three fundamental pillars: firstly greening the economy to tackle climate challenge while positioning ourselves as leaders, then taking up the digital revolution; then strengthening Europe's place on the global stage is the third objective.

At the start of the pandemic, I heard and read – and you probably did, too – that Europe would put these ambitions on hold, maybe even forget about them completely. I say this with full conviction: that would make no sense at all. On the contrary, the COVID-19 crisis has clearly shown the need to reconfigure our economies and societies. We must make our economies and health care systems, and also our member states' capacity for action, more resilient to shocks. Among other things, this means recovering greater European strategic autonomy, in particular in the area of industry. But it also means strengthening our influence globally, both to defend rules-based multilateralism – the guarantor of cooperation and peace – and to protect the interests of European citizens and businesses. And, of course, I include in that strategic objective the European Union's efforts to counter organised, systematic propaganda and fake news operations, an area in which some did not hesitate to exploit the fertile ground provided by the pandemic.

Lastly, dear friends, I think that we will only be able to meet the challenge of transforming if we are also capable – and this will be difficult – of reinventing ourselves. I am convinced that faced with a crisis of this scale, we have a historic duty to set our ambition and our plans on a course towards a new horizon.

Peace and prosperity are and will remain our focal points. And I believe that from now on, we also need to target a value that encompasses and goes beyond

those objectives. A value which we have become newly and ever more acutely aware of as each day goes by, because it has been so gravely endangered by the virus: our personal and collective well-being – economic, social, health and cultural – which does not mean economic prosperity alone. That new horizon is a society founded on dignity and compassion, and the strategic objectives of the EU which I mentioned earlier can lead us there. Europe can and indeed must champion that goal, both within and without.

Finally, I would now like to expand upon some reflections which are perhaps more pragmatic, which lead me to talk to you about the negotiation process currently being launched. It is up to the European Council – that is to say, the 27 member states – to agree on a joint text. The European Parliament will also have to take a position.

First, I would sound a note of caution for us all: let us not underestimate the difficulty of the negotiations which are now under way. This proposal is in many respects unprecedented in terms of both its nature and its scope. But we are not there yet. As you know, there is significant divergence regarding several key points of this project: the overall envelope, the distribution of the loans and grants, the criteria for distributing financial resources, and the conditions for allocation of the funds.

Now more than ever before, these negotiations are fraught with difficulties, because they require all the member states to consider reappraising some of the principles which they have for so long held dear. After all, in order for such negotiations to succeed, every party sitting at the table must endeavour to perceive and understand the reality of the others' points of view, and to then agree to challenge their own taboos. Not everyone shares the same interpretation of what solidarity actually is or spontaneously agrees on the specific action which should ensue from the principle of responsibility. We cannot succeed unless we all make an effort to understand one another's points of view.

This process of alignment towards a consensus has now started. However, it is important for us all to be aware that the road ahead is still long and strewn with pitfalls.

My second observation is as follows. The objectives which the 27 have set themselves and which I mentioned a moment ago are shared ones. And today, to a much greater extent than two or three months ago, I think the 27 are aware that the financial solidarity operation which we are trying to put in place is not about charity, but the best interests of all. Everyone has a vital interest in fully restoring our large internal market, and in preserving the stability of the euro area and continuing to strengthen it.

The objective is therefore a shared one. But it will be up to everyone to decide what path to take, and how to achieve the objectives. The European recovery plan which we are working on will not replace or be a substitute for national plans: it must strengthen them. That is why the work you are beginning here, dear Giuseppe, dear friends, is essential.

It is essential for two reasons. First and foremost, it is self-evident,

because it is a matter of urgency for the Italians, who expect solutions. As former Prime Minister of Belgium, I know that reforming and transforming can be difficult. It calls for a tenacious, steadfast will, and can be achieved only by permanently mobilising citizens' support for our democratic processes.

But this extensive European plan, which I believe we must put in place, could also represent a unique opportunity for Italy. An opportunity to make the changes needed to build a stronger future, in Italy and in Europe. Let us all be brave and responsible. In the exercise in solidarity among 27, the more ambitious and braver we are at national level, the more we will increase the strength of the European project. Solidarity is not a one-way street: it requires us on the one hand to mobilise resources to support the most affected regions and sectors. It also means making the necessary changes to strengthen each of the member states, and thus the European Union as a whole. Strengthening Italy strengthens Europe, too.

Dear Giuseppe, dear ministers, I thank you and wish you every success in your work.