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Ladies and Gentlemen,

Dear fellows and friends,

Please let me assure you of the great pleasure I have to be among you today, here in Doha, to attend this eighth session of the World Policy Conference. I would like to thank Thierry de Montbrial for his kind invitation.

"Europe, what's next?": This is the core topic of the current political debates between the Member states and within the EU. Two major events occurred recently and shaked the Union: Brexit, first, on June 25th, and the election of Donald Trump in the US on November 8th. Those events will pose major challenges to Europe in the months and years to come, and involve that we redefine the European project and its relations with foreign partners.

1- Reshaping Europe

What impact does and will the Brexit have upon Europe?

-Brexit was immediately described as an earthquake: for the first time since the very beginnings of the Union, one of its key member states voted to leave the EU. The Brexit campaign and the results of the referendum showed how polarized the country was, between generations (the young people voting to remain in large proportions), between the urban and rural areas, between the different regions of the United Kingdom, Northern Ireland and Scotland massively voting to remain within the EU, while England (except for the London area) and Wales voted to leave.

-The campaign was, in many ways, one to widen the divide within the UK and between its citizens. When the results of the referendum came out, it also appeared how unprepared the leaders of the Brexit campaign were. European member states were truly flabbergasted to face the reckless attitude of some of the most prominent advocates of the Brexit, creating much political and economic uncertainty.

-This absence of preparation explains why the British delay the date to trigger the article 50 of the Treaty on European Union to effectively start the exit negotiations with the EU27. The recent decision of the High Court of Justice to compel the British government to consult the Parliament before triggering article 50, and the subsequent appeal before the Supreme Court in early December might delay even further the anticipated date of March 2017 to do so by the British authorities.

-Immediately after the Brexit, the EU6 leaders met to consider how to reshape Europe. Brexit will first have consequences for the British themselves. Although European Member states were not in favor of a Brexit, the vote of the people must be respected and exit negotiations should start as soon as possible. I think the EU27 are on the same page, to acknowledge and respect the vote and reach the better cooperation agreement possible without caving on the fundamentals such as the common market in its integrity, the four liberties, including freedom of movement. What's more, Europe cannot allow itself to be buffeted by the British uncertainties, it has to be clear on its objectives and defend its interests by being both friendly and firm with the UK, as they sure will negotiate their deal in the same way; why not negotiate a specific status with the UK, but not at the expense of the Union's integrity. Being firm on the



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divorce negotiations is not at all an obstacle to preserve and intensify the bilateral relationships in mutual interest, quite the contrary.

- France and European Member states are furthermore committed to strengthen their bilateral relationships with the UK, and especially, in our case, on Defence and international security. The migration issue is also a bilateral priority.

-The shock of the Brexit provides all the more evidence of the preexisting necessity to reshape the European project. This only highlights what was already a groundswell, the disenchantment of the people towards Europe. The main preoccupations of the European people are the economic situation and employment opportunities, along with security. After the referendum, several European summits were held to define the political changes needed, so that the citizens of the 21st century identify with Europe, as was the case over the last century, when Europe meant peace, prosperity and the fall of dictatorships.

-Practical answers on immediate matters at stake will be needed, but also, and maybe above all, we need a vision for Europe and the Europeans in a globalized world. We need to invent a democratic legitimacy for this new European project. Reshuffling the European project implies two main perspectives: an internal one and the need for a reinforced foreign policy; all the more after the election of Donald Trump.

Impact of the US elections

-As President Hollande put it, the US elections open a period of uncertainty. The US is a major partner to Europe and to France, on a number of subjects: peace and security in the Middle East, the fight against terrorism, economics, the climate issue (enforcement of the COP 21 agreement). The campaign was sometimes brutal. The election of Donald Trump opens a new era on foreign policy: what will the US do regarding the Paris agreement on climate, the Iranian nuclear deal, the transatlantic negotiations, or towards China? Will the future President really disengage the US of the WTO (World Trade Organization) as he suggested he would during the campaign?

-On all these issues, France and Europe will remain vigilant. We need to have a frank discussion with the US on all these subjects. I believe it is in our mutual interest to pursue a strong transatlantic cooperation, based on respect, frankness and that preserves our independence.

-France has a responsibility on the international level, being one of the P5 with a seat at the UN Security Council, a military and nuclear power, and playing an important role together with Germany within Europe. We need a united Europe, able to express itself and to develop a foreign policy that will preserve its values, its interests (the interests of its citizens); that will advocate for democracy and our social model.

-The US elections go far beyond the US itself: it is the first world power, and consequences of these elections and of the future US foreign policy will extend to the whole world. We have to look straight at the concerns caused by world disorders and take our responsibilities. This is why Europe needs a strong foreign policy, and needs to redefine its relations with the US by strengthening the transatlantic relationship, by regulating the effects of globalization (the trade agreements) and by carrying weight in the world.

2- On the domestic level

-The Eurozone is the fulcrum of the European project. When the single currency was set up in the early 90's, it was supposed to be completed with the achievement of the Economic and Monetary Union, as stated in the Maastricht Treaty. The Economic union has yet to be enforced, even if several steps were taken in the right direction in the



aftermath of the 2008 economic crisis (Banking union, European stability mechanism, the buying of sovereign bonds on the secondary markets by the ECB...) The consolidation of a real Banking union is necessary, but we do need an Economic union: with 18 different economic, fiscal and social policies, the single currency cannot work properly.

-The Europeans have main expectations about employment and the economic situation. Bad management of the 2000's, the economic crisis of 2008, the crisis of the sovereign debts in 2010 have largely affected growth, to the point that the spectre of deflation looms over Europe. Unemployment has reached very high levels over the past years, especially among young people: in Southern regions, it sometimes reaches 50% within the young, and causes new migrations of young Spaniards, Portuguese, and Greeks to find jobs elsewhere in Europe or even Latin America.

-To fight this phenomenon, which among other factors, tend to increase the defiance towards a "powerless" Europe, we need to increase our efforts to rebalance public accounts and rebuild competitiveness through economic (and monetary) policies, such as an investment policy in sectors with high potential, such as renewable energies, digital economy, and innovation. France and Germany together represent almost half of the Eurozone GDP. So, France has to restore growth and competitiveness, and Germany should contribute to spark investments both at home and within Europe.

3- Europe in a globalized world

On the external level, Europe needs to develop both a proper foreign policy and include an external dimension in all its domestic policies.

The geopolitical situation in the Middle East has very direct consequences on Europe:

Terrorism

-The *fight against terrorism* implies not to dissociate internal and external security anymore. For its own security, Europe needs a foreign policy oriented towards peace and development on its Eastern and Southern neighborhoods. France is achieving alone almost all the effort to fight against terrorism in the Sahel and in sub-Saharan Africa. After President Hollande called for help from European Member States to take over parts of this military effort following the terrorist attacks in Paris in November 13th last year, many of our partners have answered the call and are now giving a hand to prevent terrorist organizations from establishing sanctuaries in the Middle East, the Sahel and Africa (ISIS, Al Qaeda, Boko Haram notably).

-Geopolitical developments in Iraq and Syria are crucial to the stability of the whole region and Europe, as show the efforts of the international coalition - in which several European countries take part - and the current military operations to take back Mosul in Iraq and possibly Raqqa in Syria from the hands of ISIS.

Defence and security

-These efforts need to be enhanced and shared further, as France is still the only European military power to be able to project forces, along with the UK. The security of Europe depends on those efforts. During the US campaign, now President elect Donald Trump made it very clear that Europe had to ensure its own security and that the US, in his view, should not be held responsible for it. Without encroaching on NATO prerogatives, we see an obvious need to



increase European Defence capacities. All over the world, powers are increasing their military budgets, while they are decreasing in Europe. Only four Member states comply with the NATO standards of 2% of their GDP dedicated to military budgets (the UK being the only "big" country in that case).

-Strategic autonomy, a comprehensive vision of Defence and Foreign policy matters to ensure Europe's own security and contribute to that of its neighborhood, a European Security and Defense Council are some of the proposals we can make in that regard.

Migrations and Refugees

- Europe lacks a true immigration and asylum policy. While it is our duty to welcome war refugees in Europe (essentially Syrians, Iraqis and Afghans), many dissensions were heard in Europe over the way to organize solidarity between Member States. We eventually set up a European Corps of Border Guards (it was a proposition of the French and the German), hotspots to control external borders, a maritime operation (Sofia) to rescue migrants in the Mediterranean. The situation in the Middle East will not end soon, and will most likely generate more flows of refugees that we must welcome in Europe. We also need to help Lebanon, Jordan and Turkey in dealing with a very large share of refugees from the neighboring Syria.

-As for other migrants, there is a clear necessity to engage with the third countries of origin, and to develop a lasting partnership between Europe, the Mediterranean and Africa to create prosperity. This would help us deal with "economic migrations" by working hand in hand with third countries. Cultural cooperation, economic development, mobility are key to stabilize our Southern neighborhood, engage with these societies with which we share so much – history, proximity, culture, economic potential.

-This is why the Anna Lindh Foundation for intercultural dialogue, of which I am the President, works on a project of mobility for young associative actors across the Mediterranean, based on Erasmus. Not only do young people across the Mediterranean share the same difficulties (high rates of unemployment, economic difficulties, temptation to join the ranks of ISIS for some young people) but they also share the same values and faith in democracy and stability. This is a matter of both security and cooperation, of further integration of the Euro Mediterranean area.

In a nutshell, Europe is currently facing major crises revealing its weaknesses. The rise of populism and extremists are a real threat to our values and to the rule of law upon which Europe is built. The recent elections in the US show the same phenomenon, although domestic issues are not similar. But it is nonetheless a trend. The loss of trust in the European project, and the widening of the gap between its citizens and the EU are serious indicators that we need to reshape Europe, both on the domestic and external levels. Its global power, the security and the meaning of its project depends on it. I believe that, more than ever, Europe has a leading role to play; there are worldwide expectations towards it. It is no time to turn inward, quite the contrary. Boosting the European construction should be our only horizon: this requires more integration, positive and practical answers to Europeans' expectations and a clear political will.

Steven Erlanger

Let me ask you a question. Brexit was kind of a shock and it seems to have led to lots of other shocks, and these things have a momentum. Do you think that this is a *prise de conscience*, a wakeup call for the European Union? Do you think it will sober people about the European Union and bind it more or will it begin to spin it apart?



Elisabeth GUIGOU

I do not know. I hope it will be, as Thierry said, a wake-up call, of course. I am not sure. It depends on the common will of the leaders, which is rather weak and has weakened; it depends on their ability to explain to the European people that going inward and building walls is not a solution, and that, since we have transnational challenges, we are bound to cooperate and deal with them in a transnational way. To explain that cooperation between Europeans is the only solution in a global world, a more and more uncertain and unstable world, to explain and perhaps give answers to the fears of Europeans. If you think what those fears are today, they express fears from the outside. Therefore, we have to explain and make people understand that the only answer is to cooperate, to give a positive response to that. I hope but I am not sure, of course.

Steven ERLANGER

It seems to me that it is really where you started, which was with the reconnection of the European Union with Europeans themselves. Part of that is about listening and bureaucrats are not always very good at listening; they are very good at telling.