

## **Speech at the European Council by Martin Schulz, President of the European Parliament**

**Brussels - 18-02-2016**

Martin Schulz

Ladies and gentlemen,

The British in-or-out-referendum on European Union membership has become one of the key questions for Europe's future. The overwhelming majority in the European Parliament wants to see the UK remain in the European Union. In the globalised 21st century we need the UK more than ever – and we are convinced that the UK will be better off as part of the European Union. At a time when the United States are increasingly turning inward, when Russia is challenging the global security architecture in Ukraine and Syria, when China is rising in East Asia and simultaneously slowing down economically, surely, we Europeans have to stick together more than ever. Together, with 508 million people, 28 nation-states and the richest single market of the world, we stand a fair chance to shape the rules of the international order and manage globalisation according to our interests and values. But if we Europeans part ways, labouring under the fond illusion that, now of all times, the finest hour of the nation state has arrived, we should make no mistake about the consequences. We will be left to drift into the insignificant backwaters of the world political scene.

With its foreign policy experience and clout, its open market policies and its trade and counter-terrorism track record, your country, Prime Minister Cameron, brings a lot to the table. When you say you want to make the EU more democratic, more transparent, more competitive and less bureaucratic - you are preaching to the converted here at the European Parliament. We stand ready to act as an honest and constructive partner so long as all discussions remain within the framework and spirit of the Treaties and Charter of Fundamental Rights.

That being said, we have concerns about several proposals, and here the devil is in the detail. We would like to use this opportunity today to raise these concerns with the goal of solving issues at this early stage and avoiding misunderstandings later on when legislation will need to be debated and adopted in the European Parliament.

Firstly, ever-closer union. The European Parliament believes that this concept should not only be about our heritage, our past and why we came together. It's also about what we can accomplish together in the future and we know that many Member States and a large majority of citizens want to go further in this way. Secondly, the so called "multicurrency union" as demanded by Prime Minister Cameron. The Treaties are very clear: the currency of the European Union is the Euro. The UK is guaranteed an opt-out from the common currency. Where could there be any need for further clarification? It's crystal clear.

Opening up this chapter without an unequivocally good cause risks introducing ambiguities and could be detrimental to the functioning of the Economic and Monetary Union (EMU). A strong and stable Eurozone is not only in the interest of Euro-area countries but in the interest of all participating in the single market. No one stands to gain from disrupting the single market. Therefore, we must avoid creating ambiguities and we must avoid creating a de facto veto right for any member state in the European Council on Eurozone issues. Such a de facto veto is not acceptable for the European Parliament: how could we agree to a procedure which could paralyze the Eurozone? The economic crisis has already showed us what a high price there is to pay for a currency union which is not fully integrated. We need to strengthen the Eurozone with more efficient and transparent decision-making, not paralyse it. I am sure that many of you around this table share our view after the many all-night meetings you had working on Eurozone governance.

The UK government claims that its goal is not to obtain a veto for itself or special treatment for the City and this is a welcome reassurance. But if the effect of any future decision creates this possibility, and the current text on the table risks this, it matters little if there is no explicit wish for a veto. The danger is clearly there and is too important to neglect. So some work is still needed on this.

Moreover, we want to prevent splitting the EU into 19 Euro-members and 9 Non-Members. There is no need whatsoever to create new parallel unions and new parallel institutions. The UK has since the beginning signaled its will to remain outside the Euro. This is already legally settled in the Treaties.

We would also like to make clear that if certain elements negotiated at this summit are in the

future integrated into the Treaties, then this should be accompanied by a further deepening of the EMU, starting with the integration of the ESM and the Fiscal Compact into the legal framework of the European Union.

Of course, British businesses and persons must not suffer from discrimination in the single market. As Britain does half of its trade with the EU and has an important financial services industry, we take concerns about equal access to the single market very seriously. But non-discrimination cuts both ways. "No disadvantages for Non-Euro-Members" cannot translate into "advantages for Non-Euro-Members". Euro members also have businesses, persons and financial sectors deeply integrated in the single market. Parliament has always insisted on equal treatment. A single market needs a single set of rules, not multiple sets of rules.

Parliament has always maintained that strengthening the EMU cannot come at the price of splitting the EU. And this long before the prospect of a UK referendum was on the cards.

Thirdly, the so-called "benefit debate". If freedom of movement creates practical problems on the ground, these must be addressed. But solutions cannot come at the price of discriminating against EU citizens. And it is of course up to Member States to decide how they want to structure their benefits schemes and social security systems through national law.

The Commission now commits to proposing a so-called "safeguard mechanism" if UK citizens vote to remain in the EU. This "safeguard mechanism" would mean that two workers, both EU nationals, paying the same taxes, doing the same work, would for a certain time not be paid the same.

Allow me to say this very clearly: The European Parliament will fight against discrimination between EU citizens. Non-discrimination and equal treatment are fundamental principles of our Union. We welcome the fact that the ordinary legislative procedure is the one proposed but you will surely understand that no parliament in the world can prejudge the outcome of its legislative work. The European Parliament is committed to finding together with the Council constructive solutions which fairly address problems which may emerge from the free movement of persons.

Fourthly, the European Parliament has always supported the involvement of national Parliaments in European legislation. Only this week we hosted in Brussels the fourth European Parliamentary Week which brings the EU's national Parliaments and the European Parliament together to discuss the European Semester. Only through such close cooperation between European and national Parliaments will we achieve good legislation, proper accountability and

ownership. That being said, the European Parliament is surprised that the governments of the Member States appear ready to accept a direct and automatic interference of their own national Parliaments in their decision-making as co-legislator in the Council. We believe that cooperation must be organized in a way that ensures the smooth functioning of the legislative process and does not detract national Parliaments from their first privilege of holding their governments accountable.

Ladies and gentlemen,

The European Parliament stands ready to accompany these discussions in good faith. We will support any proposal which will make the EU more democratic and more transparent. We want the EU to make the lives of people better. Therefore, we ask you tonight and tomorrow to agree on reforms which make the EU stronger. And one thing has to be clear: what we are doing here now is addressing the concerns of one specific Member State, namely the United Kingdom. This should not turn into an opportunity for other Member States to start rolling out lists of backdoor Treaty changes. If such a Pandora's box were to be opened, and we caution against this, then we are in Treaty change mode and the European Parliament would see fit to convene a Convention.

Prime Minister Cameron, in your speech in Hamburg last week, you rightly argued that British citizens should look at the big picture. That this big picture shows a UK better off inside the EU to fight terrorism and organized crime, handle migration, world trade, and deal with climate change. The European Parliament agrees. There is another big picture we would ask all of you here to consider: that in a complex world the EU needs to be stronger. And being stronger will invariably mean that at least some will need to integrate more closely.

#### Migration

After five years of war, after more than 250.000 deaths, after half of all Syrians left their homes in search of shelter, millions lost their livelihood, millions of houses lie in ruins, after unemployment, inflation and poverty have soared, after we thought it could not get any worse, it did get worse yet again: Russian bombs are falling on Aleppo, bringing bloodshed and terror, and a further exodus of refugees. This unfolding human tragedy must compel us to push harder for a negotiated end of the war, to step up humanitarian assistance and increase our efforts to deal with the refugee and migration situation.

Ladies and gentlemen,

The European Parliament believes that this needn't have been a crisis if every Member State had taken its responsibility following a common approach at EU level. In the last months, solutions have been devised. Many new instruments have been created and further crucial building blocks are underway. But the problem is that everyone sees the situation from their individual standpoint and waits for the other to move first in implementing those necessary solutions. Even though the latest survey issued yesterday shows strong expectations of united European action: 79% of Europeans believe the EU should have a common migration policy, 87% believe the EU has a common duty to protect its external borders and 79% believe asylum-seekers should be fairly distributed among all Member States.

Now you need to give the necessary impulse to get the EU out of this deadlock or what I would rather call this crisis of solidarity. Firstly, cooperation with Turkey has rightly been stepped up in recent months. Turkey is hosting the largest number of Syrian refugees and deserves our assistance. But Turkey is also the point of departure for many refugees when they embark on the dangerous trip to Europe. 60 000 irregular entries to Greece occurred only in the month of January. Despite some promising legislative modifications in Turkey and the increasing migratory pressure it is facing itself, it is difficult to affirm that the EU-Turkey Action Plan has had any discernible effect in stemming irregular migration. We see more a "winter effect" than an "EU-Turkey Action Plan effect". The relevant part of the EU-Turkey readmission agreement is supposed to produce effects only from 1 June and the agreement with Greece is not working satisfactorily either. And we look with increasing concern to the increase in military activity in the Kurdish areas. So how do we get our EU partnership with Turkey off the ground, based on mutual respect, shared efforts and common fundamental values?

We should put money where our mouth is. Many countries, for example Germany, Sweden and Austria, are making huge financial efforts to support refugees domestically. Assisting Syrians under temporary protection in Turkey and bettering their living conditions there, is, however, equally important. Therefore, the European Parliament welcomes the agreement between Member States on the arrangements for the Facility for refugees in Turkey. Implementing projects directly with international organisations, NGOs and local authorities on the ground is the best way to show that EU is engaged - and this should start now. Because the most vulnerable groups of displaced persons cannot wait – and my colleagues who visited the country last week informed me that those in cities, outside the refugee camps, are particularly in

need of support. Irregular migration as it currently persists from Turkey must be replaced by legal pathways through resettlement and humanitarian admission, and it is understandable that Prime Minister Davutoglu was not able to travel to Brussels to discuss this with willing Member States today as foreseen, given the heinous terrorist attack that took place yesterday in Ankara. Let me add as well that Turkey should also be concerned by the impact this crisis may have on the future of EU integration. A weaker Europe both economically and politically would affect Turkey's economic growth. It is hoped the Turkish leadership will understand the historical dimension of the situation.

Secondly, despite all the unacceptable delays in setting them up, the Hotspot concept put forward by the Commission in its Migration Agenda last May remains in the European Parliament's view fundamentally valid as a "one-stop-shop" located where pressure is the most severe at the EU's external border. Fingerprinting and registration is essential if we want make sure that migration is managed and orderly. In Greece, fingerprinting is now up to 78% from 8% last September. But it's not enough. It means that thousands of unidentified people are walking across our continent. Everyone arriving needs to be registered. 100% of arrivals need checking against Interpol and EU databases for forged and stolen documents, and security risks. If asylum seekers know that they can easily abscond from the asylum system where they are entitled to have their asylum claim processed, then the incentive to request relocation from Italy or Greece is very low. Add to this the administrative difficulties, political resistance and even ongoing legal challenges, and it is not difficult to understand why the relocation scheme got off to a sluggish start. Less than 500 relocations have taken place so far since the Council adopted the scheme last September. The same number of persons arrives every six hours irregularly at our external border. These insufficient efforts are therefore a mere drop in the ocean. We are glad in that respect that Prime Minister Valls last Saturday underlined France's strong commitment to speedily relocate its agreed share of refugees from Italy and Greece. If all countries accelerated their efforts, we would already be a step further.

Thirdly, the lack of orderly management of migration flows along the Western Balkans route remains a pressing concern. Spring is coming closer, and some EU countries are still "waving through" third-country nationals who consider they have a right to choose where they want to claim asylum. Under our EU rules, there is no such thing as a "transit" Member State. Nor will closing borders solve anything per se. On the contrary, it risks making the crisis worse by

fragmenting the routes. In this context it should be added that Greece must receive assistance to fully control the FYROM border and any complementary assistance to FYROM should likewise be coordinated at EU level. It is high time that everyone takes their individual responsibilities, but we also must step up to our shared responsibilities.

Ladies and gentlemen,

Fourthly, asylum only works if those who have no right to stay return. If you have no right to stay, yet in 60% of cases, you are not be returned, this creates an incentive to come to Europe nonetheless. Is this the message you want to send? And do we want to encourage the lucrative business model some third countries seem to have developed, asking for substantial sums to take back their own nationals? Therefore, as a matter of urgency the EU must conclude readmission agreements with Morocco, Algeria, renewing efforts to implement the one with Pakistan, with special attention also paid to Bangladesh and Afghanistan. Without doubt, it would be helpful if Turkey were to align its visa policy to the EU's in respect to countries which are the source of significant irregular migration.

Ladies and gentlemen,

Fifthly, we know that many of you share our concerns about the impact of the migration crisis on Schengen. The European Parliament takes note that the Council has adopted last week a Recommendation under the Schengen Borders Code with a three-month deadline for serious and persistent deficiencies to be addressed through 50 detailed recommendations. Let me plead that these three months are put to good use in making the necessary investments in Greece – with the EU's utmost financial and human assistance. That is why President Juncker, to whom I pay tribute for his tireless coordination efforts in this crisis, is right in speaking of a Schengen safeguard procedure.

We all know what one possible outcome of this procedure, as a last resort, is a further possibility to reintroduce internal border controls at a number of points in the Schengen area. We want to highlight here one significant fact: closing borders costs money. It affects transport in goods, cross-border workers, logistics. It also has many indirect costs, such as on the tourism industry. Free movement goes beyond the movement of persons - it include goods, services and capital. A disastrous effect on the single market is a real risk, and this just coming out of several years of economic crisis. All those who don't care today about the future of Schengen would do well to bear this in mind. When I think of my own Member State, Germany, we have land borders with

no less than nine other Member States. Whilst we understand well the need to ensure orderly population flows in this exceptional crisis, the European Parliament urges you not to set in train a process that becomes irreversible, that destroys jobs and that undermines the European economy.

Last but not least, the European Parliament for its part will fulfil its responsibility to deliver on the legislative side. Let us get an effective, well-resourced and accountable European Border and Coastguard immediately agreed between Parliament and Council and made operational by the summer. The European Parliament's rapporteur Mr Artis Pabriks is nominated and our negotiating team stands ready and looks forward to intensive work with the Dutch Presidency on this crucial piece of legislation and I know Prime Minister Rutte shares this ambition. I would also take this opportunity to call for priority to be given to all other migration-related legislative proposals on the table, be they on returns, safe countries, the Schengen Borders Code, and importantly the upcoming revision of the Dublin system and of our legal migration framework.

Ladies and gentlemen,

One day all of us around this table will have to answer to how we as the EU dealt with the biggest humanitarian crisis since the Second World War. Lamentably, this crisis is exposing serious fault-lines within our Union, political ones, ideological and societal ones. It requires all your combined statesmanship and constructive work, bolstered by a sustainable EU framework, which the EU institutions are building step by step, to avoid widening these rifts. This means stopping to talk of preconditions, stopping to point fingers, and naming the real problems where they occur - to put an end to the crisis of solidarity that has beset the European Union. First and foremost this means recognizing the EU's fundamental strength as a force for solidarity – sharing benefits but also responsibilities. Don't give further satisfaction to those in the world who look forward to a divided, weaker, "little" Europe.