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EUROPE, MULTILATERALISM, AND
GREAT POWER COMPETITION

A CONVERSATION WITH SECRETARY-GENERAL OF
THE EUROPEAN COMMISSION MARTIN SELMAYR

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PARTICIPANTS:

Introduction:

THOMAS WRIGHT
Senior Fellow and Director, Center on the United States and Europe
The Brookings Institution

Featured Speaker:

MARTIN SELMAYR
Secretary-General
European Commission

Conversation:

THOMAS WRIGHT, Moderator
Senior Fellow and Director, Center on the United States and Europe
The Brookings Institution

MARTIN SELMAYR
Secretary-General
European Commission

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P R O C E E D I N G S

MR. WRIGHT: Good afternoon. My name is Tom Wright. I am director of the Center on the United States and Europe here at Brookings. I'm delighted to see a full house and would like to welcome you all here today, those in the audience and those also joining us via webcast, for a timely discussion with Martin Selmayr.

Now, Martin Selmayr is the Secretary-General of the European Commission. Previously he was the chief of staff to the president of the European Commission Jean-Claude Juncker. He studied law at the Universities of Geneva and Passau; at Kings College, London; and at the University of California. He holds a doctorate in law having completed his thesis on the law of economic and monetary union and is the author of more than 70 law journal articles, book contributions, and 3 books on EU legal issues, including most recently a leading commentary on the General Data Protection Regulation.

He has also joined us direct from the airport where he flew in. So we're very grateful for him to do that. I think it's a real sign of his commitment to come here straight from the plane.

I would also like to acknowledge several people who are in the room here today. First and foremost, the new ambassador of the EU to the United States, Stavros Lambrinidis, who we are delighted to welcome here to Washington. (Applause) We very much look forward to working with you in the years ahead. And we are also looking forward -- we also have the ambassadors from several countries here today, from Switzerland, from Austria, Latvia, Belgium, Croatia, Luxembourg, Lithuania, Albania, Poland, Bulgaria, and Libya, as well as senior representatives from other embassies. So thank you all for joining us.

And let me also take a moment to acknowledge and thank the Robert Bosch Stiftung and express our thanks to them. This event is part of our Brookings-Bosch Transatlantic Initiative, or BBTI, which a multiyear project of applied research and

programming that seeks to reinvigorate transatlantic cooperation on global issues. Events like this would not be possible without the support and partnership we have with Bosch, so we're very grateful to them and to our partners who understand and respect our independence and recognize the value we offer through independent scholarship. We look forward to continuing this project, as well, in the years to come.

In a couple of moments, Martin Selmayr will offer some formal remarks on the future of the European Union multilateral engagement in our era of great power competition. He will also address developments around Brexit, which I understand is a small little issue in Europe these days; on the upcoming European Parliament elections; EU budgets; and the future of transatlantic relations.

Following his remarks, we will have a moderated discussion here on stage with myself, and then we will open it up to the audience for conversation and questions and answers.

You can Tweet us, so you can look at your phone as long you're Tweeting. And the hashtag is #BBTI or #USEurope.

So without further ado, I would like to welcome Secretary-General Selmayr to the podium. And I look forward to our conversation. (Applause)

SECRETARY-GENERAL SELMAYR: Mr. President, Thomas, ladies and gentlemen, Mr. Ambassador, my friend Stavros, it's very good to be here with all of you on this sunny day in Washington. It's always a pleasure to be back in Washington. I'm at the moment in Washington together with EU Trade Commissioner Cecilia Malmström. And we are continuing the process in implementing the joint statement that President Juncker and President Trump negotiated last year on the 25th of July to continue to work together because that, I think, is the main objective of our transatlantic relationship. We always have to continue to work together and that is what is the firm intention of the European Union.

And I'm very grateful to the Brookings Institution to help us on this one. Because I think we need many friends on that one. It is not an easy task, particularly at the

moment, but it is good to have friends, like you, Mr. President, and like many here in the room who are helping us on a daily basis.

Ladies and gentlemen, the subject that was given to me, "Europe, multilateralism, and great power competition," is probably a subject that many of us would not have chosen like that because it's at the first impression, the first glance, is almost shocking that we speak again about great power competition. But I think it is also an honest title because it shows in which world we are. We are at a transformative moment of the global system. And I think the best way to work with this transformative moment is to acknowledge the reality and then to try and change it into the right direction. "Europe, multilateralism, and great power competition," I will go through all these three points one by one.

First of all, Europe. Logically, as secretary-general of the European Commission I will start with that. And when we speak about Europe, it reminds me of a situation 19 years ago here in this town. I worked in this town at the IMF at the time. And every morning I was at the bus stop taking the bus into town from a bit outside because I couldn't afford an apartment in the middle of the town 19 years ago. And every morning, the people there were finding out who's this funny guy from Europe who was taking the bus together with us.

And they were talking with me and they were talking with me about the euro because the euro was just 12 months old. And they said this euro is a very funny currency. They told me every morning. They were making jokes about that because the euro had started at \$1.18 and was at that moment in time, 12 months afterwards, at \$0.85 and was going down every day. I personally felt that because my salary at the time was paid in euro and, therefore, I felt it every morning in my pocket. That's probably why I took the bus every morning.

And I tried to understand why this single currency of which I personally was very proud of, why were people laughing about this here, why many people didn't believe in

the euro. And I think we have to go back a bit to the time.

At the time, the euro was a virtual currency. The euro didn't exist in paper form. In 1999, 11 countries introduced a single currency, but it was for the first 3 years it existed only virtually, legally in computers. The euro bank notes came much later. So a single currency is created and the Europeans, they did the great thing, they introduced the currency first of all virtually. And, therefore, many people around the world didn't believe in it. But it's perhaps typically what we Europeans sometimes do. We start virtually and then progressively things become a reality.

Today, if you look at what the euro is today, I still meet many people who don't believe in the euro, but I think we all need to acknowledge today we are not worried anymore about the exchange rate of the euro. We perhaps think the euro is too strong today, not too weak. We have euro bank notes, of course, since 2002. We have a European firewall that protects the euro since 2012 that can mobilize up to 500 billion euro to support the euro. That is more firepower that the IMF had a very long time for the whole world.

The European Central Bank has become a real central bank at the latest since Mario Draghi said whatever it takes. The European Central Bank since then can-do quantitative easing in Europe and is doing it very successfully. The European Central Bank today is even a real bank supervisor since 2014, but it wasn't.

So progressively the virtual currency has become a real currency. We even mastered a big crisis that many people thought we are not going to survive. We survived it because the euro is a funny thing. The euro, Mario Draghi, the president of the ECB, once said that the euro is like a bumblebee. You know, a bumblebee, huh? A bumblebee is a miracle of nature because it's a very, very heavy animal, but it flies. It's a miracle that it can fly because the laws of nature would say it cannot fly, but it flies. And Mario Draghi said sometime in 2012, well, it is a miracle that it flies because there must be something in the air that makes it fly, that makes this virtual currency that progressively became a real currency.

And it still doesn't have some features, like a European finance minister or a European budget for the euro zone. It doesn't have that yet, but what makes it fly, the euro, what makes it survive is political will. The political will of the Europeans is what makes the European Union function; what makes things that started as something virtual, become later real. That is something what gives us Europeans, even in the biggest moments of crisis, a lot of hope and confidence, even though not everybody around the world shares this hope and confidence.

The European Union has created -- I'll give you another example where we moved from virtual to real. The European Union has created a free space of free movement in the European Union. We have no borders anymore between our nation states. We don't see them anymore. Citizens don't see them, businessmen don't see them, tourists don't see them. They're not visible anymore.

What we have outside the European borders, people have the impression at least over the last years, we don't protect our borders enough. I think you know this discussion, also, a little bit here in the United States. Of course, it's not true. The European borders are very effectively protected. We have at the European borders 100,000 Border and Coast Guard officers. They are mainly national. They are French, German, Spanish, Greek, Bulgarian. But the European borders are protected. The impression given by some populists that the European borders would be wide open and everybody could just come in is wrong. Our borders are protected by more than 100,000 Border and Coast Guard officers, the same number of Border and Coast Guard officers that you have. But Europe is not visible in that and that's why some people say Europe is failing to protect our borders.

And this again leads us Europeans then to go to the next step. First of all, to create a small agency called Frontex that is coordinating the 100,000 border and coast guard officers. And then as this is not enough because it is too virtual, it is not visible, we need to go one step further. And I think that was done in 2015 when we had a big influx of migrants and the subject became more urgent that we created something, what President

Juncker called a European Border and Coast Guard.

The European Commission had proposed a European Border and Coast Guard since more than two decades. And every time when we proposed it, it was rejected by unanimity. But when we proposed it again in 2015, suddenly, within two weeks, all member states were behind it. So sometimes a crisis leads to the next step and leads to a step where people understand that it is not sufficient to have a virtual Europe. We need to have a real Europe, one that is visible, that is visible for citizens. People don't like to have a currency that is virtual, that they cannot touch. People don't like to have Border and Coast Guards that they cannot see. So I think that is an important part.

A third example where we moved from virtual to real, that is the important field of data protection. The European Union has a history with this. We have two reasons why we in Europe have rules on data protection since many, many years. One reason is our history, that as we have experienced dictatorships from the left and from the right in different forms, with all their tragic consequences, personal data are very much close-linked to human dignity and to personal freedom in European Union. The fact that somebody else knows everything about you is eliminating your freedom. That is a firm belief very deeply entrenched in all European citizens. So that's one reason why we have European rules in this field.

The second reason is that we have a single market. You have a single market and in a single market, which is increasingly becoming digital, you want to ensure the free flow of data because data are necessary for all goods and services that are circulating in the European Union if you want to trade freely and effectively. That's why we have European rules on this.

And since 1995, we have common European rules on privacy as you call it here or data protection as we call it. But these rules were first a little bit virtual as the euro was in 1999. Why were they virtual? Because they were included in the European Union Directive. A directive is not just a recommendation. It's a law. But it is a law that is

addressed from the European Union level to our member states.

The citizens, the businesses, never see the content of a directive. They see only the implementing legislation. They see it only years afterwards. Because a directive is addressed to our member states and then it takes, two, three, four years until they have to implement it and transpose it into national law. And then many years later, it is properly and correctly introduced because the European Commission sometimes finds little mistakes or bigger mistakes and has to start infringement proceedings. So between a directive that is agreed at European Union level by our member states and the European Parliament until the citizens and business see it, it takes sometimes 10, 15 years.

So it's very virtual what is agreed. That is a democratic problem sometimes. It's certainly a problem of credibility. That's even though we have these rules, I think most people either ignored the rules, and the world certainly didn't know that the European Union had these rules.

That changed on the 25th of May last year. On the 25th of May last year, many say it was almost like an earthquake because on the 25th of May last year the General Data Protection Regulation of the European Union entered into force. The abbreviation "GDPR" on the internet was for some weeks more often found on Twitter and on the internet than Lady Gaga or Beyoncé. Which is, I have to say, for a European Union piece of legislation, rather successful, I have to say. (Laughter)

Why was it? Because suddenly, the rules that were included in the directive, which people didn't really realize that they came from Europe, were suddenly included in the regulation. A regulation is a real European law. It's a law that at the moment that it's adopted by the European legislature it immediately is applicable in all 28-member states of the European Union. It has needed to be applied by every company, by every citizen, by every court, by every public administration. So that has changed. We took something that was more virtual into something that is now real, and suddenly, everybody spoke about it.

It may also have to do with the fact that there was a rule in these European Union Data Protection Regulation that somebody who violates it can face fines for up to 20 million euro or up to 4 percent of the worldwide annual turnover of the company. Probably that also had something to do with the fact that it was no longer virtual and real. That is why this regulation is also very well known here in the United States of America, even though not many people knew before the 1995 directive that we had this directive.

Why I'm mentioning these examples, the euro, our border and Coast Guards, and the data protection legislation? Because in all these three fields you see how in the European Union sometimes it takes time. The European Union is a complicated process, but we have a strong political will. And something that starts virtual very often leads later to something that is very real.

When Europe at this moment in time starts to discuss after many, many decades where this wasn't the case, to discuss and work on defense, well, that shows that we are starting to take some things more seriously than before. When some people still laugh about the abbreviation that is linked to our defense cooperation, PESCO -- some of you know what that means, it's Permanent Structured Cooperation in the field of defense -- some people laugh about it, say this is just the military flying hospitals and member states work together. No, actually it is the beginning of a European defense union, of European defense cooperation. And it's the beginning of the European Union becoming a bit more serious.

So if you think this is only virtual, it will never happen, well, there's a strong political belief behind that. Watch this space.

There were three speeches over the last months that I think underline the willingness of the European Union to become more serious in these matters; defense, but also become more robust in its external relations. It's the speech of Jean-Claude Juncker in September last year where he spoke about the hour of European sovereignty. The way how he defines sovereignty was not the traditional Westphalian sovereignty. He defined

sovereignty from a European perspective.

He said in Europe, sovereignty is something -- we share sovereignty. We share sovereignty. That's in the DNA of the European project. And by sharing sovereignty we become stronger together. United we stand taller. That is the European understanding of European sovereignty, of shared sovereignty. It is not directed against anybody else, but it is there to overcome the limits of the nation-state in this increasingly globalized world.

So that's what when Jean-Claude Juncker spoke about, the European Union that needs to take its destiny in its own hands, the European Union that needs to give the euro a stronger international role, that needs to work on defense and security and other matters, where we have too long relied on others to do our work. So that was the first speech.

The second speech was one that was given a couple of weeks ago by the Dutch Prime Minister Rutte in Zurich. When a European gives a speech in Zurich, then you have always to watch it. (Laughter) And it was very interesting that Prime Minister Rutte, who is one of the most liberal and sometimes also skeptic leaders of the European Union, he doesn't want European integration for the sake of European integration. He is a rational European. But he in his speech made a very strong plea for Europe to become streetwise in its foreign policy, the European Union to become more robust, the European Union to become more adult, to grow up. And I think that Mark Rutte said that was particularly telling.

Of course, then the third element that I have to add, after the Juncker speech on sovereignty, the Rutte speech, was what we saw this week, the important article of the French president, Emmanuel Macron, where he spoke of European renaissance. Behind all these speeches you see there's growing confidence, but also the growing understanding that the European Union needs to do more, that the European Union needs to move from virtual to real in more policy fields than we have done it in the past. And in all these three speeches or contributions you find ideas how to do this, and I'm very sure they will shape the European agenda for the next five years to come.

So that's the state of Europe. You see, I think, in spite of many criticisms, many crisis moments in the European project, I'm confident that the current situation where Europe finds itself a bit more alone is for Europe a wake-up call; is for Europe a moment to become more united, to strengthen its internal work, to focus on the things that really matter. Because the European Union is needed in the world. That is a common feeling in Europe.

And that brings me to the second part, to multilateralism. The European Union will always stand up for multilateralism, for the rules-based international order. We have no other choice. We also don't want to have another choice. The European Union itself has it in its DNA that we must be for the multilateral rules-based international order because we ourselves are a rules-based international order.

The European Union is kept together by nothing than laws and the political will, by rules and the political will. It's a voluntary project, the European Union, that we are together. Nobody has forced us to create the European Union in the current state as it is. Member states have voluntarily shared sovereignty because they think together they are stronger. And this belief that we have inside Europe, we also believe is a view that should be the underlying assumption of the rules-based international system.

We need rules not for themselves, but because together we are stronger. If we work together we are stronger. Otherwise, we go back to the disasters of the past. We have seen how the world can look like when it is an unruly world. We never want to go back to this moment in time.

That's why the Europeans uphold the Paris Climate Agreement. Not because we're ideological about it. It's because it's absolutely necessary. It's our responsibility for the next generation. The Europeans stand up for the Sustainable Development Goals because we have fought for that in the United Nations not because we think we should lecture the world, but we should share with the whole world the same objective: to leave to the next generations a more sustainable planet.

Yes, we even believe that in a complicated relation with Iran -- and I know

that here in this town there are very, very different views on that, but also here we have to work on the basis of agreements, on rules, on diplomacy to work together. I think there's a lesson from the Cold War that it is good to have not only a red telephone, but also establish relations, also establish economic relations with difficult partners. Because otherwise, we lose the chance of peace and stability. And the European Union is a project of peace. We will always work for peace and stability, notably also in the Middle East where without our agreement with Iran we believe that peace and stability would be endangered.

We are not naïve about this. We know that Iran is a difficult partner. But we believe the best framework for working with a difficult partner is within the rules-based international system, not outside.

We also believe that the rules-based international system is important in the field of trade. Trade is not there only for economic reasons. Trade is there because it's the basis of peace, of cooperation, of friendly international relations, and it's the basis of sharing values. It's makes us stronger together.

The European Union has concluded an agreement that is effective since the 1st of January -- since the 1st of February -- an agreement with Japan, the most ambitious trade agreement that we have ever concluded. It is very beneficial, mutually for Japan and for Europe economically. Six hundred thousand jobs depend on this agreement in Europe, 74,000 companies. And as we have agreed to abolish all tariffs over time between the EU and Japan, our imports and exports with Japan will go up by 24 percent over the coming years. So that is in itself a good thing.

But what is particularly important is that Japan shares our values. They share our belief in the global international rules-based system. So that is the main message of this interesting agreement. It's economically beneficial, but it also strengthens the two important blocs in the world that are defending at the moment, that are probably the loudest defenders, of the rules-based international system. That's why this EU-Japan agreement is much more than an economic agreement. It's a strategic agreement and it was also

concluded for this purpose.

I wish it could go into a similar direction again with our partner on the other side of the Atlantic here in Washington. And that's what President Juncker and President Trump agreed on the 25th of July, not to include an ambitious new trade agreement. We're not talking about TTIP. TTIP is and will remain for a long time in the freezer because that is unthinkable at this moment in time. It's too complicated.

But we can, between the EU and the U.S., slash tariffs. Why not? We work together. We have a transatlantic deep economic partnership since many, many years. So why should we not slash tariffs? That's why President Juncker and President Trump agreed to slash tariffs. They could increase our exports on both sides by 9 percent in the coming years if we were to do this.

Some say this is not ambitious enough. I think small steps also are useful. That's why the European Commission has proposed a mandate to our member states to work on the abolition of all industrial tariffs in the coming months. And I'm very confident that this workstream will be politic because working together is always a good way to overcome differences.

We also work together with our U.S. partners on preserving the multilateral order by preserving the WTO. We think the WTO is absolutely essential for the rules-based international system. Yes, the WTO is not perfect. Well, it's a bit old. 1994 is long ago, huh? And yes, we Europeans agree that the WTO should be reformed and further developed.

We see this ourselves, yes. The fact that state-aid funded companies are coming in our markets which are traditionally opened is something about which, well, we perhaps have been all a bit naïve in the past. We should be able to make sure there is fair competition in our markets and the Europeans are seeing this more than in the past. We also see we're not yet sure in which direction an important economy like China is developing, so let's be prepared for that. But let's not throw the baby out with the bathwater.

The WTO is very useful as we see in every arbitration case brought to the WTO. By the way, the EU and the U.S. are the biggest winner from this system. Whenever something has happened against WTO rules, it has been in almost all cases either the EU or the U.S. who've won our WTO cases. And in some cases, even the U.S. won against the EU, which I would like to forget at this moment in time, but it happens and it happens in a fair system.

So ladies and gentlemen, that is for us absolutely essential. We cannot have a rules-based international system without the WTO, without a strong WTO. That's why I think it's a good step of the agreement between President Juncker and President Trump on the 25th of July that the EU works together with the U.S. and with Japan on strengthening and reforming the WTO. But that must, of course, also mean that you preserve the capacity of the decision-making bodies of the WTO to continue to function over time. Because otherwise, the WTO will quickly become a toothless tiger and then our rules-based international system has no longer an arbiter. We should prevent that from happening.

Ladies and gentlemen, that brings me to the third notion of these short remarks, great power competition. Great power competition, we Europeans are skeptical about this. We don't think that competition is about power. We think competition should be a win-win situation. We think competition should be fair. And when it's competition for the best ideas, when it's competition for the best products, when it's competition among the best systems, then I think at the end everybody will win. If it's only a game of power, then everybody will lose at the end. That is something what we should have learned from history.

There can be no power without values, ladies and gentlemen. That is a European Union belief. It is written in our treaties. We know that we are not at the end of history, as Mr. Fukuyama has once written. No, we know that we are in an increasingly multipolar world. But we believe in this increasingly multipolar world we should not give up on working together and not only to compete. Yes, competition can be a good thing, but it

cannot only be for gaining power, for winning against the other. That's why I mentioned before WTO reform is on our agenda.

And I think something else should be on our agenda. We should be very vigilant what is happening in the world to our democracies, ladies and gentlemen. The European Union has European Parliament elections at the end of May. It's the biggest election on the continent after the Indian elections. More than 400 million citizens will go to the polls. It will be a decisive election. It will be an election where the European Union citizens will decide whether we still have constructive majorities to continue to give Europe a strong voice in the concert of powers for values, for democracy, for fair competition, and for a rules-based international system. There are many enemies to that, also, in the European Union.

And we have to make sure that our elections are not manipulated. The European Union has taken a lot of measures. We are learning what is happening. We should notably look what is happening to data. The Cambridge Analytica situation has been a wake-up call I think not only in the U.S., but very much also in the European Union. So here we have to defend ourselves.

Great power competition, no, we don't like that notion, but we should make sure that not other powers intervene in our elections. And I think here the European Union will have to stick very closely together.

We have also to look to what is happening to data more globally. Ladies and gentlemen, there are 1.4 billion people in China. It's a huge and impressive nation. It's a huge and impressive culture. But when you can take all this data and use them for developing artificial intelligence, and if you have almost no limits to that, then you may be able to dominate the future of our continent in a way that we haven't seen so far. So I think we have to be not only vigilant, but we have also to team up.

The European Union and Japan, next to their trade agreement, have agreed on a data alliance. They have recognized each other's data protection system as adequate.

That means there is now the free flow of personal data ensured between Japan and the European Union. It is the biggest area of the free flow of personal data in the world.

And I think we should go one step further. The EU and Japan will have to team up to also make sure that artificial intelligence is developed in a human-centric way, that artificial intelligence is developed on the basis of common rules. It's developed without exploiting data of people, but by using data intelligently in respect of fundamental rights and respect of the individuality of everybody.

Data are often called the new oil of the digital world. They are not oil, ladies and gentlemen. They reflect the personality of everybody who is generating these data and that's why they have to be treated with respect and intelligence.

I think we can still win this race if the United States of America will join us. The fact that GDPR is discussed here in America is a good sign. The fact that we have laws in California that are taking over the concept of our data protection rules is a positive sign. There's a discussion now here on the Hill about federal data protection legislation or privacy legislation. I see this as a good sign even though the details are still being worked on.

I think we need to move quickly. And perhaps this can be one of the fields where the European Union, Japan, and the U.S. can work together to build a new alliance for trusted data, for data that are protected, that are not abused neither in the electoral context nor for economic purposes. Because otherwise, we will lose the race for artificial intelligence and we will lose our values in this one. Because then the world will be dominated in another way and that is perhaps the only place where we have to be non-naïve, but where we have to be vigilant, work together, and where the EU and Japan will team up and I hope that also the United States of America will help us.

Ladies and gentlemen, I will close with a plea to you. I know that you are friend, skeptical friends, some of you critics of the European project. Don't give up your hope on the European Union. The European Union has been more resilient than many writers and pundits said here on this side of the Atlantic. Many have already declared the

death of the European Union, the death of the euro. It's still there, ladies and gentlemen. The bumblebee flies. So keep your faith in the bumblebee.

Thank you very much. (Applause)

MR. WRIGHT: Martin, thank you for those really interesting and fascinating remarks. I think what I really appreciated about them was how sort of forward-looking that were, you know, that they I think touched on many of the key issues that I think will dominate the transatlantic relationship for the next 10 or 15 years or so, particularly, as you said, on data, artificial intelligence, the broader issues of technology.

So we have some time for questions and we'll go to the audience in a little bit. I guess I wanted to start maybe by -- and we'll get to Brexit I think in a few minutes, but by looking --

SECRETARY-GENERAL SELMAYR: It's not necessary. (Laughter)

MR. WRIGHT: Britain is leaving the European Union. And I guess one of the questions people have is how different will the EU be without the UK? And you talked in your speech about President Macron's vision. He seems to be sort of interested in sort of a multispeed, multitiered Europe, a different approach on some different issues. There's sort of a more federalist vision that's out there. There's questions about whether or not the EU will be more protectionist without the UK.

Could you talk us through a little bit your thinking on the future of the EU with this new sort of configuration and maybe what some of the clashing visions or big questions are?

SECRETARY-GENERAL SELMAYR: Well, thank you, Thomas. I think it is a bit too early to say how the European Union will look like without the UK because at this moment in time the UK is still a full member of the European Union. And that is all what I can say at this moment in time on Brexit because at the moment it hasn't happened yet and the talks are still ongoing on that.

Of course, the fact that the United Kingdom has notified under Article 50 of

the Treaty on the European Union that they want to leave, they have notified their intention to leave, has in itself already transformed the European Union because it's forced the European Union to address the question how it will move on from here.

I know that some people thought when the referendum in the United Kingdom turned out as it was, very closely for Leave, well, that's the beginning of the end of the European Union. Now it will unravel. Now there will be in several other countries there will be movements to leave the European Union. And I remember the list of countries that was mentioned in some newspapers. I think that hasn't happened.

It hasn't happened I think for two reasons. First of all, confronted with the existential question, because it is an existential question, if a member state leaves the European Union it may trigger other departures, confronted with this existential question the Europeans have suddenly realized that this is not a good idea. In all EU member states except two, the support for the European Union has gone up tremendously since the Brexit referendum for two reasons. Because the Europeans, the other 27, were suddenly extremely united, and I think you have all seen that. That the idea that during these Brexit negotiations the 27 would be divided, that hasn't happened. There were attempts to divide them, but it hasn't happened because they have to stick together because otherwise, the purpose of the project would have been lost.

So they knew it was existential. They have to stick together in spite of all their differences. That's why they were very united behind the Commission as chief negotiator, between our brilliant chief negotiator Michel Barnier, who managed to keep the 27 during this process together. So I think there was the feeling that as there is the famous Weberian Außenfeinde -- sociologically, the logic of consequence, you have to stick together because there is an existential threat coming from the outside.

The second reason is that very quickly the European Union leaders, the EU institutions, and the leaders of the member states thought we need also to give this European Union of 27 a positive narrative. It cannot be the only narrative be united against

Britain in these Article 50 talks. That's not sufficient. That is never a sufficiently good project to only have a negative narrative.

And I think that's why on the proposal of President Juncker they met in September 2016 in Bratislava, in the Slovak capital, and developed there something what we call the Bratislava Agenda. The Bratislava Agenda is giving a new impetus to the European Union, giving the European Union a new impetus on matters that are, to a certain extent, the lesson of Brexit. A Europe that protects, that empowers, and defends is the title of this new project. And that is not a Europe that is protectionist. It's a Europe that continues to be very open to the world, but a Europe that is also not naïve.

I'll give you one example where you can see that. The European Union has decided at that moment in time to bring forward legislation on foreign direct investment screening. I think for many years for ideological reasons we said, okay, everybody can come on our market, it's perfectly fine. Still everybody should come on our market, but at least in some cases we want to take a look at that. I think the screening only allow us to take a look, but if somebody, if a third country company is buying a robotics company, a strategic port in the European Union, a strategic part of the electricity grid, or our 5G networks --

MR. WRIGHT: Who do you have in mind?

SECRETARY-GENERAL SELMAYR: Ah, yes, well, it could be anybody. It could be anybody. It could be anybody. We are open and we don't discriminate.

MR. WRIGHT: Canadians.

SECRETARY-GENERAL SELMAYR: It could be Canadians, yes.

(Laughter) So be careful about everybody. (Laughter) We are screening, we are looking at them. And I think this legislation has been approved, adopted by all member states and by the European Parliament not to prohibit, but to be vigilant and to sometimes throw the spotlight on an investment that may be a bit problematic.

The second thing on what we are currently working is to look into our

international public procurement rules. Also that I think for many years was anathema. We said, okay, we are the best in the world, we Europeans, because we have state aid legislation. That means our companies are not pumped up with illegal subsidies, and that's a good thing. In the long term it's a good thing.

But if a company comes on our market that is a totally state-owned or state-subsidized company, then it's not fair competition anymore. And we have that from time to time. And that I think also here, we have to be able to have a look at that.

I think the whole lesson of the last years was that the European Union has understood only a project that over time on average makes us happier and wealthier is not good enough. You know the famous sentence about how good is the average, the economic average? That means that when your feet are in the fridge and the head is in the oven, then on average the body temperature is okay, huh? I think we have understood that is not good enough as a narrative for the European Union.

We need to offer people better than the average or, yes, you may lose your job today for globalization, but don't worry, in 20 years somebody else will get a better job. That is not good enough. I think it's a phenomenon that all modern democracies have to face and I think this is a lesson of the Brexit experience and the changing world around us to be a bit more aware of that and stop only talking about good averages.

MR. WRIGHT: Great. Well, you know, you were hinting at China there, so let's talk about China for a second. Because, you know, one of the things that's struck me dramatically over the last 18 months is how rapidly the dialogue in China has changed in Europe, particularly in Western Europe. You know, two years ago, you talk to folks about China and they would sort of make the argument that America is way too paranoid and that really this is an economic engagement issue. And now it's a much more nuanced, sort of sophisticated conversation. And, you know, it's because of certain things that have happened.

I mean, China has invested heavily in Southern Europe and Central and

Eastern Europe. It's managed in the case of Greece to change its opinion on important votes to do what the EU. And partly because of that investment we've seen its actions in Central and Eastern Europe, the 16+1 mechanism. The EU-China summit is coming up in a few weeks. President Xi will be in Europe.

I guess my question is how worried are you that China will be able to divide the EU? And how worried are you about Chinese geopolitical influence as opposed to just normal economic activity? And what can Europe do to sort of persuade the individual member states that it's better to all stick together even if that means missing out on some economic opportunities?

SECRETARY-GENERAL SELMAYR: I think you're right, the narrative is changing, the awareness is changing because the world is changing and also the behavior of China is changing. On the other side, we Europeans will not fall into the trap to just engage in China bashing. I think China can be a rival, it can be a competitor, it can also be a partner.

It's interesting that China is at the moment our strongest partner on implementing the Paris Agreement in the world. China is our partner on the Iran agreement. China is our partner also on many, many other important things. And China is, of course, not only our partner because they are nice people, because, of course, there is strategic interest behind it. But that is in itself not bad. You can be for the Paris Agreement because it's a strategic issue. That's a good thing.

So I think we have many things in common with China, but China is a growing economy. It is taking more and more space and has more and more needs and has, of course, more and more active engagement outside China. And we should not be naïve about that. So I think the European Union will have with China a nuanced relationship, a differentiated one, where the European Union will, on the one side, engage with China as a partner where this is possible, but also where it is about our values, our principles. We have to be more aware where we have to have stronger instruments; I

mentioned some of them.

Yes, we have an EU-China Summit coming up and I think this is a good thing. It's good. As I said before, we don't believe in we should close our border and not talk. Now the rules-based international system requires us even to talk, and that's a good thing.

Will the European Union be divided? Well, I think the European Union member states have different interests in that one. We should be realistic about that. And perhaps some of these interests were also indirectly supported by international organizations. Why was Piraeus suddenly in the hand of China? Why do we have important Chinese investment in Portugal? Well, that has a reason. Because these countries went through a fundamental crisis and under the IMF programs they had to consolidate their public finances in a dramatic way. They needed external investments. So sometimes we should ask also all ourselves why have we not said something at the time?

There is a famous Latin word, *pecunia non olet*, money doesn't smell. But perhaps we should in the future be a bit more aware of that. The European Union at the time didn't have its own mechanism yet. Today that's I think one of the reasons why we have created the European stability mechanism as a European Monetary Fund that we can in the future help our member states without relying on external help as it was at the time.

But can we reproach it to the countries at the time in a moment of need they went to China and took the Chinese money? I think we cannot do that. I think we have to learn from that one to become more resilient in such situations and not rely on that one. And also, sometimes see is this really money that we should have from outside or should we not rather have another way of helping our member states? So that's a question of solidarity inside the European Union and I think a lot has changed on that.

And then, of course, we can put conditions on investment into Europe. I mentioned one before, state aid. Security concerns, environmental aspects, I think they have to be taken into account. And I'm very grateful this morning we went over the wires

that Italy will now join the 16+1 Initiative. This afternoon the foreign minister said that is not the case. So let's see. We should not always immediately panic.

MR. WRIGHT: Was it BRI in Italy?

SECRETARY-GENERAL SELMAYR: Pardon?

MR. WRIGHT: The BRI, the Belt and Road?

SECRETARY-GENERAL SELMAYR: Yes, that was the message this morning, but it was contradicted by the foreign minister this afternoon. So I think there is a discussion still ongoing. And I think cooperating with China is not a bad thing, but we should do it in an adult way. We should do it in a way that we are defending our interests and that the European Union must be, as everybody around the world, careful not to sell out its interests.

We have a particular issue in the Western Balkans where I think the European Union itself is investing more and is also opening the path for membership in the European Union to countries to show that they should not rely on the external help; that their future is in the European Union. The future of the Western Balkans in the European Union is probably at this moment in time the best answer to activities that not everybody likes in the Western Balkans. And that is not only China.

MR. WRIGHT: You mentioned values in your remarks. And you also mentioned the Dutch Prime Minister Mark Rutte, who said recently in the run-up to the EU-Arab League Summit sometimes you have to dance with whoever's on the dance floor. You have to recognize sort of the powers as they are. And there was some criticism of the EU's summit with al-Sisi and with the Arab League.

But it's in a context where, you know, a year ago, when the German foreign minister had said something critical of Saudi Arabia and called Saudi Arabian foreign policy "adventurous," the Saudis withdrew the ambassador from Berlin, sort of shut German firms out. No one in Europe, France, other countries, didn't stand with Germany on that. The Saudis did a similar thing to the Canadians. No other countries really stood with Canada on

that. And China now, of course, has arrested two Canadian citizens and no one was really standing with them in terms of breaking with China.

And so my question is really the German the foreign minister has this term "alliance of multilateralists." And when we hear that, it's often about institutions and it's about rules. But in today's world where these values are being challenged on a monthly or even weekly basis, doesn't sort of standing up for multilateralism mean sort of standing up to autocracies when they cross the lines and sort of engage in unfair acts against other democracies? Shouldn't there be a solidarity between EU member states with each other and then with countries like Canada and Australia and others when these sort of global issues bubble up?

SECRETARY-GENERAL SELMAYR: Yes, I agree, there should be solidarity. But we know in the real world that is rarely the case. In defense of human rights and fundamental values those who really strongly believe in that are very often alone. I think that's why one should probably be realistic about what can be achieved.

The summit with the Arab League I think would have been a problematic thing if the issues that are relevant would not have been addressed there. But a summit with the Arab League where in the room several times the issue of human rights, the question of autocracy, the question of the treatment of people of another sexual orientation, these issues were openly discussed and mentioned.

So I think whenever this is taking place, then I think it is progress. Because we need to address these issues, we should not shut up.

There was a very interesting moment at the end of -- there was a press conference after the Arab League summit where the secretary-general of the Arab League said, and nobody mentioned the word "human rights." I think then President Juncker intervened and said, sorry, that's not true. That's not true. And I think one has to say these things. One has to say them also in the open.

Of course, the European Union needs to address them. And that was not

only two or three. There were several leaders who did that and the others supported them. So I think there is more solidarity that we think, even though, of course, there are different interests not only inside the European Union, but in the world.

I'll give you another example. The European Commission has just proposed a black list for countries that are engaged in money laundering because money laundering is one of the big things of our time. Because we see a lot of illegal activities supporting terrorism, autocracies, going by very, very strange accounts, if I can say it this way.

And suddenly, we have a lot of solidarity from the whole world with Saudi Arabia because we put the Saudi Arabia on the list. And we have suddenly I think the European Commission is, together with Belgium, the only one who thinks it would be a good thing to have Saudi Arabia on the list. That is not a reason to give up. This is a reason to continue our work, to persuade, and, of course, progressively create an international consensus that like human rights, like having an effective tax system, anti-money laundering legislation must be the standard.

But you have to fight for international standards. They're not created from one day. And I think they would be stronger if the EU and the U.S. would speak the same language on that one, which is not always the case. That's why I think we have all to work together on strengthening values in this sense in this realpolitik world in which we increasingly are. But we should not give up.

MR. WRIGHT: Yeah, yeah. I'm glad you mentioned America because we should talk about Mr. Trump because he's a big fan of the EU, I hear. (Laughter) He's been asked it on several occasions and he said, the EU, he said, is worse than China only smaller. And he's remarkable in that he's the first U.S. President ever to have a hostile attitude to the European Union. As you know, the U.S. was very involved in European immigration and has been very supportive of it.

I guess my question is, you know, what do you say if not to him, to people

who may support him or to the next generation of politicians here about why the European -- why would you say a strong European Union is in the interest of the United States? What would your sort of answer to the Trumpian critique be?

SECRETARY-GENERAL SELMAYR: Well, first of all, we don't react as the European Union and not I as an official to every Tweet, so we look at facts and how the situation is. I have to say at this moment in time the European Union has a workable relationship with the Trump administration. And I think that is as such important and necessary. I think we have to work together because the transatlantic relationship is not something that hasn't been developed over decades and we throw it out from one day to the other.

Of course, more explanation is necessary at the moment. And the best explanation is to show the advantages of the cooperation as we do this on a daily basis. It may be that at the beginning or from time to time somebody said something negative about the European Union, but one thing is clear. And I think the meeting of President Juncker and President Trump last year on the 25th of July is a good symbol for that.

How many leaders of European nations have been in the White House and have been asked to conclude the Bilateral Trade Agreement with me? They were almost all here. They were almost all here and they all got this offer. What I found amazing, that they all said no to that. You have to speak to Jean-Claude Juncker. I don't think that President Trump knew at the time who Jean-Claude Juncker was, but he learned about it. So I think that is a good thing.

And these two have not only an amicable relationship. I'm personally very impressed by that, how a personal relationship can evolve, how a personal relationship -- President Trump calls President Juncker the president of Europe. I think this is a good institutional development in things. (Laughter)

So I think let's judge on facts and not on other things. At this moment in time the hostility that you described may have been there in the rhetoric, but we don't see it

on a daily basis. I'm also very pleased that the status of our ambassador is totally clear now. And I think we should continue to work in a good pragmatic way together. That's the best way also to convince everybody that working together is a win-win situation.

And I think when I heard President Trump reading out on the 25th of July the statement written together with President Juncker, when he read this out in the Rose Garden, I was touched. Because it said all the things that we have believed for the last 50 years on transatlantic relations. And it added soybeans to that, but okay. (Laughter) That was an additional element.

MR. WRIGHT: In the original (inaudible) charter.

SECRETARY-GENERAL SELMAYR: I think soybeans are a very important factor, as we know in these days. I have to say I personally didn't know what soybeans were before this meeting, but now I know it and it is very important. And I want to say the soybeans exports from the U.S. to Europe went up by 181 percent since the Juncker visit in the White House, so we're all eating soybeans in Europe. (Laughter)

MR. WRIGHT: Good to know.

SECRETARY-GENERAL SELMAYR: What we do for the international rules-based system. (Laughter)

MR. WRIGHT: Yes, great sacrifice. You're optimistic that there won't be other tariffs?

SECRETARY-GENERAL SELMAYR: I wouldn't work in the European Commission if I were not an optimist.

MR. WRIGHT: Okay. Well, we'll see. We'll go to the audience in a second, but let's talk about Brexit for a minute because I know in Brussels and London everyone is sort of obsessed with Brexit. People are sort of obsessed with Brexit here, too, incredibly. It's really sort of penetrated the debate and it appears on the nightly news, on Saturday Night Live, on comedy shows, so there is a lot of interest. And like everyone, we're trying to sort of figure out what happens next.

And I guess my question is we're told that if the meaningful vote fails next week on March 12th, there will be a request for an extension. So I'm sort of wondering how that works.

You've been associated with an idea that there will be a long extension of 21 months. Other people have said there will be a short extension of three months. Could you sort of tell us a little bit about how you think about the extension process and how does it work? Can the British submit a letter at 6 p.m. on March 29th saying we'd like an extension and you can all agree or does this have to be discussed at a formal council meeting and agreed a week in advance? How does this endgame play out?

SECRETARY-GENERAL SELMAYR: Well, first of all, I'm often associated with things just to scare people.

MR. WRIGHT: Yes.

SECRETARY-GENERAL SELMAYR: And probably, I read recently, that I will be the strongest supporter of Mrs. May on that one. That was probably not helpful for Mrs. May. Let me be very careful about that.

No, I think the European Union wants to bring this process -- this is a process that we regret, but it is the outcome of a referendum -- to an orderly exit. And that's why we have for two years negotiated with our British counterparts an agreement. The agreement is ready. Twenty-seven members of the European Union have agreed to this. The European Parliament is willing to agree to that. And the prime minister of the United Kingdom has agreed to this in a meeting with 27. So the solution is on the table.

At the moment it's just a question of how to get it over the finishing line. And normally, you only get something over the finishing line in such a complicated relationship in the last minute. So probably we'll have to be for a couple of more days and weeks very patient. But I would not want to speculate now what happens if the meaningful vote on that -- I think there was already a meaningful vote and there's now another meaningful vote.

So let's be very patient. Let's respect the British democratic system. I can tell you the European Union is prepared for all scenarios. We are prepared for the no-deal scenario. We have prepared for this since December 2017, not because we like it, because it is our responsibility to prepare that. Because the Article 50 process works on the logic that if the agreement is not ratified by the UK, then there will be a hard Brexit. So we have to prepare for that even though we have done everything on our side.

We have been very, very loyal to the rules-based international system because even a tragedy, like a divorce, we have rules for that one and we bring it to an end. And on our side we have brought it to the end and we have concluded this agreement on our side and supported it. Now I think the British prime minister has the difficult task to do this on her side, as well.

Will there be an extension or not? I think it will have to be requested by the United Kingdom. At the moment it hasn't been requested. If it's requested, many things are possible.

MR. WRIGHT: But do you have an opinion on how that is --

SECRETARY-GENERAL SELMAYR: It's also possible that on the 29th of March -- because we had a ruling of the Court of Justice in December last year, which I think is a remarkable one. I don't know if it's very known here in Washington, but there was the question whether you can take back the Article 50 letter and if you can take it back unilaterally.

And while many people have said that cannot be done because once you have started this process with all this time and money that has been consumed for that one, well, you have a certain -- you have to have the agreement from the others. No. The Court of Justice said, no, that's not the case. At any moment in time, it was just the intention of the United Kingdom to leave, you can take this back. And the legal reason for that one, and I think for everybody who has followed the Brexit negotiations for the last years, it's a bit ironic the Court of Justice says because the European Union is an ever-closer union. In an ever-

closer union you cannot throw somebody out if they come back and regret and say I want to change my mind. You can change your mind.

So that's an interesting thing because, you know, an ever-closer union was the word that in the negotiation with David Cameron was the words that the United Kingdom wanted to remove from the treaty. And we at the same time said, as lawyers in Brussels, yes, we can, even though it's sad, but it has never played a role in any judgment of the Court of Justice so far, therefore, we can remove it. The first judgment of the Court of Justice what has now played a role, was allowing the United Kingdom to take until the last minute to take its notification under Article 50 back. They are judges with a good sense of humor in Luxembourg. (Laughter)

MR. WRIGHT: You mentioned no-deal planning and you said you were prepared for that and you've been taking a leading role on that. Could you tell us a little bit about what parts of this worry you the most from an EU point of view if there is no deal? Like what worries you? And also, at what point do you sort of reach the conclusion that the risks of no-deal are better than the risks of continuing uncertainty?

Like if we have one three-month extension after another after another because no one can really decide what they want in London, at some point when do you sort of say enough is enough? We'll actually go with the no-deal planning.

SECRETARY-GENERAL SELMAYR: Well, first of all, it is not for me to say enough is enough. That would be for the 27 heads of state of government to say that.

MR. WRIGHT: Right.

SECRETARY-GENERAL SELMAYR: My feeling is that there will be a lot of patience. Maybe that this official or that official that is sometimes fed up because we invested, oh, a lot of work and all these plannings -- it was the Cameron negotiations, it's now the May negotiations. We have the third Brexit secretary on the other side. So, yes, there is a feeling of Brexit fatigue in Brussels because we can't hear the subject anymore. And probably some share that feeling here.

But on the other side, we should also be clear that the United Kingdom has been a very, very important partner of us for more than four decades. We have an extremely deep relationship with the United Kingdom. And we like the United Kingdom in the European Union.

So that's why I think what the Court of Justice has said, that the United Kingdom can take it back any moment in time without conditions probably reflects also the final political reality. That's why I think the European Union will not push the UK out of the European Union. The indecision that you mentioned, yes, that is a fact. So that's why it is the responsibility of the politicians in the United Kingdom and their democratic process to have to come to an end. And that's why we have to prepare for all scenarios. But I can tell you if the United Kingdom says tomorrow I want to stay, I think there will be people who will be all very happy about that.

MR. WRIGHT: Great, thank you. Well, let's go for questions and we'll take a group together. So we're short on time, but Jamie Kirchick and then the lady beside him. Jamie is one of our scholars here at Brookings.

MR. KIRCHICK: Hi. Yeah, Jamie Kirchick here from Brookings.

The EU has been pretty powerless to arrest the slide of Hungary into authoritarianism, a one-party state even. I'm curious as to what you have in store to try to address this problem. Thank you.

MR. WRIGHT: And the lady beside you.

MS. LINO: Yes, Marisa Lino. Amongst other things I'm the head of the U.S. delegation to the NATO Industrial Advisory Group.

My question is this. The PESCO, EDIDP, and the European Defense Fund, to use your terminology are great in their virtual form. As they're becoming concrete there are many on this side of the Atlantic who would view them as duplicative of NATO in some instances and protectionist in this approach. And I ask for your comments.

MR. WRIGHT: Thank you. We'll take two more. So Jeff Rathke here and

then the lady here in the third row. And then we'll go back and you can -- since it's multiple questions, you can choose the ones you like the most.

SECRETARY-GENERAL SELMAYR: No, no, no. (Laughter) I will answer them all.

MR. RATHKE: Thank you. Jeff Rathke from the American Institute for Contemporary German Studies.

You talked about three speeches from Juncker, from Rutte, and then the op-ed from Macron. You didn't mention any German reaction to these initiatives. And can you conceive of these initiatives being successful without German support? And is Germany failing to react to these proposals?

MR. WRIGHT: The lady in the third row.

MS. GIENGER: Viola Gienger with the Just Security blog at NYU Law School.

What in the interim since the Brexit vote and in the discussion since then and in the rise of greater opposition to the European Union and its institutions, what have those institutions done to try to help European citizens understand what the benefit is and, in fact, provide more concrete benefits to them to build support for the EU? And what are public opinion polls showing the trends are now?

MR. WRIGHT: Great, that's -- I think that's a lot on the table.

SECRETARY-GENERAL SELMAYR: Yes. Thank you. Very interesting questions.

Jamie? Was that Jamie? Jamie, that was Hungary that you mentioned, huh? So I think it's good that you mention that because it's a matter of great concern to everybody working in the European Union and I think everybody who shares the values of the European Union what is happening at the moment in some of our member states. Hungary is probably the longest issue because in Hungary it was not only the current Commission but already the previous Commission that had to deal with the matter.

I worked at the time for the Justice Commission Viviane Reding and I think we were in a permanent conflict with Hungary on their constitution. That was the time when they changed their constitution. That was the time when they inserted in its constitution clauses that we considered to be bluntly illegal. And when they adopted laws under this constitution that we considered to be bluntly illegal.

What did the Commission do about that? We did what we can do. When we are in the field of competence of the European Union, we launch infringement procedures. So we launched infringement procedures against Hungary under the treaties at the Court of Justice on the violation of the independence of the Data Protection Authority, because they simply cut short the term of office. We won in the Court of Justice, so the person had to be reinstalled.

We launched an infringement proceeding because the Orbán government at the time dismissed judges. They shouldn't dismiss judges by reducing the retirement age. This infringement proceeding we won, as well, because the Court of Justice agreed with the Commission.

So a couple of such issues and I think altogether under this Commission it was notably First Vice President Timmermans whose long, numerous infringement procedures, many of them are still pending, for example, on the treatment of the Central European University. So I think where we can, we launch infringement proceedings.

And the interesting thing is that's why so far Viktor Orbán has very much understood how this works. He's probably the cleverest of those who are challenging the rule of law. Whenever the Court of Justice rules, he has given in, and that is a good sign. That is a good sign because when you disobey the Court of Justice, you put yourself outside the community under the rule of law that the European Union has to be.

But at this moment in time I think we, of course, having more a party-political conflict when you see Mr. Orbán is engaging in a campaign, including against the Commission president, who has no longer a party, but who still is a party member and,

therefore, is not particularly happy about what he did. And he has pleaded since a long time for the exclusion of Mr. Orbán from the Christian Democrats because he doesn't consider him a Christina Democrat. I don't tell you secrets. That is, of course, publicly known. And personally, I share this view 100 percent.

We have other rule of law problems and they're all different. Every rule of law problem has to be analyzed in itself. We have the situation that Poland has gone on a much larger scale on dismantling its justice system. And the Commission has launched numerous infringement proceedings. We have even done the historical unprecedented move to trigger the so-called Article 7 procedure, which is the procedure that was only introduced by the Amsterdam Treaty and later refined by the Lisbon Treaty to allow us, to allow all members states to check if any member state is a systemic threat to the rule of law.

This process is ongoing. Every couple of weeks there is a hearing in the council and all members states sit around the table. The Commission explains what we criticize and the Polish government has to explain itself. And that is not a comfortable situation, but as such it doesn't go very far because you need at the end unanimity minus one to agree to go into a sanctions stage.

But I would nevertheless say this is a useful procedure to create a common understanding of what is the rule of law and to put pressure. And we see certain effects of this procedure in Poland. But what is the most effective one is the Court of Justice case again that the Commission has brought. Because the Commission, when the Supreme Court judges in Poland were dismissed, brought a case to the Court of Justice and asked even for an injunction. That was an unprecedented move and the Court of Justice granted the injunction and ordered the Polish government to reinstate the judges, what they have done, which shows now we are in a field which is, if you may say, at the borderline of the EU's competencies because the organization of the national court system is for every member state to decide.

But the fact that we can intervene now via infringement procedures in

systemic cases is in itself a strengthening of the rule of law and the mechanics. It's a young instrument, what we're doing. It's the first time that we're using this instrument, so I think the jury's still out how successful this is. But in a certain way what we are seeing here is that for the first time, with the help of the Court of Justice, the most important principle of the European Union, which is the rule of law, is taken more seriously. And I think the Polish government obeyed the Court of Justice injunction for a very good reason. Because if you don't do that, you put yourself outside the European Union, outside the system.

And here Brexit has, if you like, a paradoxically healing effect because there is no member state at the moment that considers Article 50 is a very attractive route. So Michel Barnier has shown, as our best divorce lawyer, that it is not very attractive to get divorced from the European Union.

Marisa, thank you for the question on defense, a very pertinent question. Of course, it's clear, when the European Union gets its act together and works together on defense, this, of course, is always done to strengthen the European pillar of NATO. It's done in complementarity and not to rival NATO. It is to a certain extent also following up to the call of repeated administrations. This administration's a bit louder, but it's posed the same call from others that Europe should do more in defense. And one of the things we can do in defense is creating more synergies, not having 132 weapons systems in Europe, you know all the figures, but perhaps buying fighter planes together.

Of course I understand the concern that then we may also buy European fighters or Canadian fighters and not always American. That is true, huh? That can happen in a competitive market. But it strengthens the European Union's capacity to act and shows that within NATO the European Union is taking things more seriously.

But the European Union, nobody in the European Union wants to create a rival to NATO. We would be foolish to do that. We believe in NATO. We believe in the transatlantic relationship. We also believe, however, that we have to be more responsible and that we have to grow up also in this relationship and be a stronger partner to the United

States of America.

The reproach of protectionism is surprising me always a little bit. First of all, all the instruments that we have created are very open, notably to all our NATO and security allies. But a public tender organized by the Pentagon, can third country companies participate in that? Just a question. Because then we see that we have to, of course, balance the situation. Of course, you have your own interests not to let European companies or third country companies in that one. The European Union will have that, as well.

We have a NATO clause. Our NATO clause means our allies or our security partners, they should, of course, be able to participate. And I think that is in the sense of the complementarity of NATO. But saying not every third country can participate in our public tenders for military purposes is to me a very adult behavior notably as we spoke about some third countries in this field which would probably – we would be a bit more skeptical.

So I think we have to work intelligently together and one cannot ask from the European Union to do more in defense and then become skeptical if we team up on defense. We need both.

Jeff, on the three speeches and the German reaction, this is, of course, intellectually fascinating. First of all, the Germans are, and I can say that because I'm a German myself, we're a bit slower. We're a bit more boring. And we are not the people for the great speeches. (Laughter) So Emmanuel Macron would have given a much better speech. We are a dry people. That's why -- and we are not the greatest visionaries because we have learned from the past that the greatest visions can be very dangerous. Therefore, please, forgive the Germans not to be enthusiastic and always running ahead with the flag in their hand, but sometimes putting things down to Earth. But I think to say there's no German reaction is intellectually interesting to say, but I think it's not true.

And I could, of course, have mentioned also Chancellor Merkel's speech at

the Munich Security Conference, which was a very strong speech and echoed perfectly the other three speeches. I could have mentioned the moment in Aachen when the Treaty of Aachen was signed, which is a strong political commitment not only to German-Franco partnership, but they invited also the heads of the EU institution and showed that Germany and France want to be the nucleus, wants to be a positive motor and not an axis in the European Union.

So I think this is a positive thing and I think without Chancellor Merkel and the German engagement we would not be where we are. And, therefore, I think don't mistake the lack of rhetoric and vision for the lack of action. Sometimes the action we see also with those who don't give the big speeches. We need speeches, but also action. And that's why we need France, Germany, and many others on board.

On the question of our friend from the -- that was the New York Law School. What was that law school?

MS. GIENGER: Just Security.

SECRETARY-GENERAL SELMAYR: Okay. On what the EU institutions have done to make the case stronger for the European Union citizens, that was your questions. So I would first of all say, yes, the European institutions should do a lot, but one of lesson from Brexit is it cannot be only the European institutions. We have fantastic communication campaigns. The European Commission has vowed 28 commissioners organize more than 1,000 town hall meetings with citizens, citizens dialogues and citizens consultations, which are reaching hundreds of thousands of citizens. But that, as such, if only the European Commission, the European Parliament, the members of the council secretary do that, that is not enough.

One of the lessons from Brexit was if the member states don't understand that this European project is their project, then it will never function. When the European Commission says A and the national minister says B, the national minister wins in the national public debate.

I'll give you one example. In summer last year there was the collapse, the tragic collapse of this bridge in Genoa. And immediately populists said it's the fault of the European Union, as if we were building bridges. I think the country was true. We're even helping and we're putting money at the disposal to strengthen the bridges and the infrastructure in Italy under very, very ambitious European programs. But in Italy this was the narrative.

The European Commission went immediately out, after we paid tribute to the victims and expressed our condolences, and set the record straight. And in 27 member states that was reported correctly; in one member state it was not reported, and it was we didn't win the political debate. That was in Italy, because the politicians there, it was the European Union. So if the national politicians use the European Union as a scapegoat, even the best communication campaign, the best outreach from the EU institutions will not be sufficient.

But I think there was in Bratislava in summer 2016, in September, a common understanding of leaders that we cannot go on like that as we have done in the past. We cannot go on like everything good comes from our national capital and everything bad comes from Brussels. Brussels is not the occupational force in our member states. Brussels is all members states together. It is not them and us. It's not the EU and us. When a national politician says the EU has failed to do this, he is the EU, as well.

So we have to stop saying that and we have to engage in saying that, yes, the EU is not perfect. The EU is not a perfect union. There is no perfect union on the planet, as the U.S. Constitution confirms. But it's something that requires the work of everybody every day. And if not the member states standing behind the European Union, to fight for it, then the European Union will not survive. And I think this is the lesson of Brexit.

We see in many members states, it's a good thing, that now it's not only commissioners who do these town hall meetings, but also leaders, like Emmanuel Macron, Chancellor Merkel, Pedro Sánchez from Spain, that they go out and participate in that one,

that they make the case. That they also in some sense say when something went wrong in Brussels, saying, look, I had forgotten to speak to my coalition partner. My minister has not informed him, so this is starting more -- so not to give food for thought for the populists to say it's them and Brussels.

But we have to communicate stronger; but it's not enough if only the EU institutions communicate stronger. And probably at this moment in time, the strength of support for the European Union, in spite of all its imperfection, in most member states that has gone up since Brexit, shows that this strategy is working. I am confident for the future of the European Union on this basis.

MR. WRIGHT: Martin, thank you very much. Unfortunately, we're out of time, but thank you very much for a wonderful presentation and conversation. I think as you can tell from the packed room and all the people joining us on webcast that interest in the EU is alive and well in the United States, I think particularly at this moment.

So I'd like to thank you. I'd like to thank the ambassadors for joining us, our President John Allen, and all of you for joining us this evening. And with that, we look forward to welcoming you back to Brookings in the future and we are adjourned. Thank you. (Applause)

SECRETARY-GENERAL SELMAYR: Thank you very much. Thank you. Thank you. It was a pleasure. Thanks for the interesting questions. (Applause)

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