



European
Institute
of Romania

State of the Union: Europe is the Answer to the Call of History

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Bucharest, September 2023

“Europe once again must answer the call of history”

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On the 13th of September 2023, Ursula von der Leyen delivered her State of the European Union address. If she does not run for another term, this would be her last speech on the State of the Union, as President of the European Commission. In this *opinion* document we aim to briefly present what represented, in our view, the highlights of this speech, as well as its potential effects on our country. We want to contribute to increasing the visibility of the European public agenda at national level, by encouraging a reasoned dialogue on European issues that Romania can influence, as a member state of the European Union.

Starting from this context, those who carefully follow the dynamics of the institutional architecture of the European Union had many expectations, very specific and diverse. As expected, compared to the previous annual addresses delivered by President Ursula von der Leyen, this one was less geared towards very ambitious future actions, but rather aimed at assessing to what extent some of the main objectives mentioned in the [opening of her mandate](#), in 2019, were met, namely those related to a **Europe that is green, digital and geopolitical**.

The Political Dimension of the Speech

In the beginning of her speech, Ursula von der Leyen praised, as she had done before, the vision of those who, after World War II, dreamed of building a Union in which states and people cooperate for peace and prosperity. This determination to build a better future is also shared by today's young Europeans, some of whom will vote next year for the first time. Thus, given that 2024 will be an **electoral year at European level**, the theme of the upcoming European elections was also mentioned, as expected by the audience. The enumeration of topics that are likely to motivate voters, such as the repercussions of war and climate change, the social and economic impact of increasing the use of artificial intelligence, shows that there is determination on the part of the European citizens to find effective solutions in a world with numerous challenges that contribute to a heightened state of uncertainty.

To each of the concerns identified, the Commission has offered a solution through various legislative initiatives. Thus, for climate change, there is **the European Green Deal**, for managing the effects of artificial intelligence, **a Europe fit for the digital age**, namely the regulation of online rights.

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* This paper expresses the opinion of the authors and cannot be considered to constitute an official position of the European Institute of Romania.

*The authors thank **Caroline-Raluca Ghețu**, expert in the European Studies Unit of the European Institute of Romania, for her support in editing the document.

Other topics mentioned in the opening of the speech were related to combating violence, ensuring gender equality and EU accession to [the Istanbul Convention](#).

Climate and economy – interconnected areas

If we were to choose the instrument that influenced the Commission's actions most in the current mandate, it would probably be the **European Green Deal**. As regards the relationship between the need to respond to the impact of climate change and the need to maintain the competitiveness of the European economy, we can say that it is characterised by enhanced interdependence. Thus, climate change has an impact on European policies and actions, while the measures and actions taken in accordance with the Green Deal or pursued to achieve its objectives have an impact on economic dynamics. At present, more than 90% of the policy objectives mentioned in 2019 have been achieved precisely through the implementation of the European Green Deal. This package of policy initiatives includes [the Green Deal Industrial Plan](#), which is composed of: [The Net Zero Emissions Industry Act](#), [the European Critical Raw Materials Act](#) – and these, together with the reform of the electricity market, aim at reducing the EU's dependency on imports.

The extreme weather events that battered Europe over the past year were also mentioned in von der Leyen's speech, as well as the steps taken by the European Union, which anticipated the importance of re-evaluating the relationship with the environment in order to protect it by adopting the [European Climate Law](#).

In May 2022, following the invasion of Ukraine by the Russian Federation, a new component of the Green Plan to combat the energy crisis was proposed, namely [the REPowerEU](#) initiative. This initiative will attain both political and economic objectives: ending the dependence on fossil fuels from Russia and accelerating the green transition. In addition, [the market correction mechanism](#) aims to limit excessive increases in gas prices over a fixed period.

Despite criticisms, these measures have not affected the European economy. Moreover, so far, the initiatives put forward by the European Commission have enabled the change of the economic model and have produced very good results. Thus, *“over the past five years, the number of clean steel plants in the EU has increased from zero to 38”* and *“we are currently attracting more investment in renewable hydrogen than the US and China taken together.”*

The head of the European Commission also proposed a **European wind energy package** next year, for the clean technology industry to be made in Europe.

As regards the EU's relationship with other economic actors, some explicitly mentioned, she noted that the electric vehicle market has been flooded by cheaper Chinese vehicles, whose price is sustained at a “low level due to huge state subsidies”. At the same time, President von der Leyen stressed *that dialogue and communication with China must be maintained and that “risk reduction, not decoupling”* should be fostered from the EU's point of view. Therefore, at the upcoming EU-China Summit, which will take place this year, the aforementioned issues will also be discussed.

Europe's biodiversity was also mentioned, its significance being fundamental for the present, as well as for the future. This is particularly important for the food chains and food provision through the sustained work of European farmers, whom the President of the Commission

thanked for their contribution to European food security. In this context, a “*strategic dialogue on the future of agriculture in the EU*” was proposed.

The Social Dimension of the Speech

Ursula von der Leyen identified a number of challenges facing the European industry: skilled labour force shortages, inflation and the need to facilitate the economic activity of our businesses.

The first challenge is the lack of labour force: “74 % of SMEs say they face a shortage of qualified labour force”. At the same time, many mothers cannot work due to the insufficiency of childcare public services. And in the EU there are: “8 million young people who are neither employed, nor involved in education or training”². With these elements in mind, the labour market ought to ensure better access for the underrepresented groups, such as young people and women. Skilled migrants will be added to them. The challenges that the technological transformation poses to society and demography will be discussed at a new Social Partners Summit in Val Duchesse, based on a model proposed by Jacques Delors, who initiated the Val Duchesse meeting almost 40 years ago (the Val Duchesse meeting laid the foundations of the European social dialogue).

Inflation is the second pressing problem that European companies have to deal with. In this respect, there will be further measures to counter this phenomenon, including through the use of renewable energy (already the price of gas in Europe has decreased from over EUR 300/MWh last year to EUR 35 today).

The need to reduce the red tape in order to facilitate economic activity is the third challenge of the EU. One of the most important future measures has been announced in this regard: an EU representative for SMEs (to be directly subordinated to the President of the European Commission).

In order to support European business, President von der Leyen stated that European start-ups must have access to key technologies so as to strengthen Europe’s competitive edge in the field of critical technologies. This is considered a “*European sovereignty issue*” and “*an economic and national security imperative*”. The financial instrument to support this objective is the STEP platform proposed by the Commission in June 2023.

However, this objective cannot be achieved without the support of external partners. Thus, relations with Australia, Japan, the United States will be deepened, ties with Latin American and African states will be developed. New free trade agreements have been concluded with Chile, New Zealand and Kenya. Agreements with Australia, Mexico and Mercosur are due to be finalised this year, and agreements with India and Indonesia will be signed in the future. Mario Draghi, former Italian Prime Minister and former President of the European Central Bank, will draft a report on European competitiveness.

² In 2022, Romania was the EU country with the most NEETs (the category of young people – between 15 and 29 – not employed, nor involved in education or training). The proportion of NEETs in Romania had reached 19.8% that year. See: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Statistics_on_young_people_neither_in_employment_nor_in_education_or_training (14.09.2023).

The digital dimension and artificial intelligence

As we mentioned at the beginning of this paper, one of the main concerns of those who will vote in next year's European elections is related to the impact of artificial intelligence on society. Among the achievements of Von der Leyen's Commission, it is worthwhile mentioning [the Artificial Intelligence Act](#), proposed since 2021. This year the European Parliament reached its negotiating position and is expected to reach an [agreement](#) on this issue with the Member States and the Council by the end of the year. Last year, the Digital Services Regulation entered into force on November 16, and by February 17, 2024, when it will apply to all areas covered by it, ["EU Member States will give the Digital Services Coordinators the necessary powers"](#). Moreover, this year, the European Parliament and the Member States reached an agreement on the [European Chips Act](#), which will help attain the [2030 digital targets](#). Progress has also been made in this sector on [the European Data Strategy](#). Such a responsible approach is expected to equally tackle disinformation.

Europe currently owns three of the five most powerful computers in the world. In the future, in order to support innovation in the sector, the Commission will allow *'AI start-ups' access to our high-performance computers to train their models on these supercomputers*.

These initiatives, just like the measures taken to combat climate change, reinforce the European Union's position as a leading entity on the global stage. They introduce regulations on digital rights at international level.

External relations, security and migration

In relation to the Commission's aim, announced in 2019, to build a **Europe that is stronger internationally**, the President of the European Commission emphasised that the EU should develop a new strategic approach to Africa. This strategy, devised by Ursula von der Leyen together with the High Representative of the EU, Josep Borrell, will be presented at the next EU-AU Summit. As far as regional cooperation is concerned, this will continue with legitimate governments and regional organisations and must mirror the same unity that was shown in relation to Ukraine.

Regarding Europe's role in the world, the [Global Gateway Strategy](#) was showcased as a *"more transparent, sustainable and economically attractive"* way to deepen relations with different partners. The India – Middle East – Europe Economic Corridor, which will facilitate trade between these regions, was also mentioned.

On [migration](#), [the New Pact on Migration and Asylum](#) is seen as a way to strike a balance between sovereignty, solidarity, security, and humanity. Also, in this context, the Commission President said she would propose to extend the temporary protection for refugees from Ukraine.

On the subject of [enlargement](#), Ursula von der Leyen announced her support for the acceptance of new members in the European Union: *"the future of Ukraine is in the European Union. The future of the Western Balkans is in the European Union. Moldova's future is in the European Union. And I am aware of how important the prospect of EU membership is for so many people in Georgia."*

Drawing a parallel between the grand enlargement of 2004 and the current prospects of the EU's enlargement, the Head of the European Commission stressed that accession is based on merit, and concerns about the pre-eminence of deepening integration prior to enlargement are

remnants of an outdated and binary way of seeing things. She emphasised that “Team Europe” can operate with over 30 members. We can assume that this formal support for the candidate countries to EU accession, coming from the President of the Commission at a time sought by millions of citizens, demonstrates the willingness of the European institutions to continue their support for the necessary reform process in the candidate countries.

What does this speech mean for Romania?

As regards the situation of Romania, the President of the European Commission thanked both Romania and Bulgaria:

“for showing the way forward with good practices on asylum and return. Bulgaria and Romania are part of our Schengen area, as they have demonstrated it.

Let us finally allow them to enter the Schengen area without further delay!”

Romania’s accession to the Schengen area will be a decision that will bring economic benefits to the parties involved and will show the unity and solidarity of the Member States in the face of the pressing challenges of the present, by contributing to the European/European Union security.

The full speech in English is available [here](#).