



## European Commission - Speech [Check Against Delivery]



### **Speech by President von der Leyen at the opening ceremony of the academic year of the Bocconi University**

Brussels, 28 November 2020

President Monti, caro Mario, thank you for this opportunity.

Magnifico Rettore,

Bocconi students and faculty,

Distinguished guests,

It is an honour to open the Academic Year of Bocconi University – a cathedral of economic thought for Italy and for the whole of Europe. I have learnt that this University owes much of its prestige to the work of a bright woman, lady Javotte Bocconi. She led this institution for almost 30 years. And she always thought of Bocconi as a European university. Long before the Erasmus programme, she invested in cultural exchanges with universities all across Europe. She believed that students could learn a lot if they looked beyond Italy's borders. But also that Italy had much to contribute.

This is still in Bocconi's DNA. You are a founding member of CIVICA, a European network of universities for social sciences. You are home to students from over 100 nationalities. Bocconi continues to be a bridge across the Alps. It has brought ideas from the rest of Europe into Italy's economic debate. And it has brought Italy at the core of European policymaking.

This is what I would like to talk about today: Italy's place in Europe. I would like to talk about what Europe is doing for Italy and how Italy can contribute to Europe's recovery.

But first, allow me a few words about the beautiful and wounded city that hosts Bocconi, the city of Milan. Milan is a European capital. And no more than one year ago, Milan was teeming with life. A healthy economy. A rising skyline. Music and culture at every corner. Milan was an attraction not just for tourists, but for entrepreneurs, innovators, students and scholars from all over Italy and Europe.

Then, the virus brought silence and pain to the streets of Milan. This second wave is hitting Italy and the whole of Europe harder than anyone expected. Yet Italians are showing incredible resilience in the face of this tragedy. Milan, the city of art and fashion is today the city of solidarity. It is a city where thousands of ordinary people have mobilised to help their neighbours in need. People like Riccardo and his friends – a group of high school students who have started cooking free meals for the doctors and nurses working night and day with COVID-19 patients. Countless associations are distributing food to those who cannot afford it. Volunteers are delivering medicines to the lonely elderly people. And I know that some of these everyday heroes are among you today.

I was told that 500 university students, many of them from Bocconi, have given their time to tutor younger kids who are struggling with online classes. You are showing once again the truth of that old song. You are showing that 'Milan l'è on gran Milan'.

Since the early days of the crisis, I have believed that Europe should live up to these examples of solidarity coming from the European people. All European countries have been hit by the pandemic. But some countries have been hit sooner and harder. While some Member States had the strength to intervene in support of their national economies, others simply did not have the financial reserves to do so. The pandemic represents a symmetric shock with asymmetric consequences across the Union. It is my deep conviction that Europe must intervene in these circumstances.

All Europeans should enjoy the same opportunities and the same protections in the face of a crisis like this. It should not matter whether you are from the North or the South, the East or the West. This is the European promise. We are together in good and bad luck. We pull each other through, and we each do our part. This is what it means to be a Union, a community of countries and peoples.

This also concerns the functioning of our Single Market. When a company goes bankrupt in one Member State, another business, on the other side of the Union, loses a customer or a supplier. A struggling economy in one part of Europe weakens a strong economy in another part. If our

economies diverge too much, the Single Market suffers – and this means trouble for families and companies at all corners of Europe. There is a strong economic rationale for European solidarity. Europe can only recover together. We can only succeed together.

This is the idea of Europe that you, Mario, have always promoted. And it is also the idea of Europe that I believe in: A social market economy, on a continental scale. The European economy is built on free enterprise. The free movement of people and goods has given unprecedented prosperity to the people of Europe.

But the Single Market can only function if the playing field is level and we all have the same opportunities. Competition must be fair. And for this, inequalities must be tackled proactively. This is what makes Europe's economy unique – if you compare it, for instance, to the U.S. or China. These are the founding principles of our Union. A foundation that we can all share, in spite of our different national and political backgrounds.

Adenauer called it 'Soziale Marktwirtschaft'. De Gasperi preferred the expression 'economia mista di mercato'. But the substance does not change. It is that idea that an economy has to be free and fair to be efficient – and vice versa. That we should all play by the same rules and we should all be given a fair shot. A social market economy allows everyone to converge upwards. The social market economy is part of who we are as Europeans. It is our unique European model. And it is how we can move out of this crisis, together.

This is why, since the early days of the crisis, I have worked for Europe to come to Italy's rescue. We coordinated Member States so that they could buy protective equipment together. Teams of European doctors came to the hardest hit cities in Lombardy. And Italian patients were welcomed and treated in hospitals in Germany and Austria.

Already in March, I proposed a European initiative to support 'cassa integrazione'. We know that a lot of healthy companies – in Italy and elsewhere – are struggling just because of the pandemic and the lockdowns. It is those companies that need a lifeline out of the crisis. They need help to survive and to keep their workers inside the company, even if right now they do not have as much work and orders as they usually do.

That is why we created SURE. A European programme to support short-time work across Europe. The logic and message behind it is as follows: Do not lay off your employees, but keeping the knowledge and skills in place. SURE will subsidise part of the salary. And when the economy picks up again, your company can take orders immediately because you have the expertise. Italy is the country that will receive most support from SURE.

The European Commission is now successfully raising money on financial markets – taking advantage of our very strong credit rating. And this money will then go to Member States, to support national programmes such as 'cassa integrazione'. After decades of ideological debates, this is European solidarity in action.

SURE was the first step. Then came NextGenerationEU, our Recovery Plan. EUR 750 billion in investment on top of the long-term EU budget. And again, Italy will receive the largest share to recover and to support reforms. The European family rose up to help its members in greatest need. And today, I can say: 'L'Europa s'è desta'.

With NextGenerationEU, for the first time, the European Commission is raising funds on financial markets that will be channelled to Member States as loans and grants. This is a huge decision, and one that we do not take lightly. We are spending resources that we will have to pay back in ten years or more. In other words, we are borrowing money from future generations. So these resources should be invested for future generations. Not just to repair our economy, but to reshape it for the future and to preserve our planet. To mitigate risks the next generation will face.

NextGenerationEU will bring an unprecedented wave of public investment for the Italian economy. European resources for Italy's recovery and reforms. But NextGenerationEU will only succeed if Italy plays ball. This is the moment for Italy to take your future into your hands, and contribute to Europe's collective recovery.

To make the most out of NextGenerationEU, Italy will need two things: Willingness to reform and a strategic approach to investment. First, reforms are the foundation for recovery. Because only with the right reforms Italy can ensure that NextGenerationEU delivers on its citizens' expectations. I think, for instance, to speeding up your justice system and public administration. This is essential to attract investment and give confidence to the business sector.

But even more importantly, Italy's young people need a fair shot to find a good and rewarding job. Too many young graduates are choosing to leave the country because they cannot find the job they deserve. Many other young people do not have the skills that the job market requires from them.

I know that a city like Milan has managed to revert the brain drain, at least to some extent. Some bright minds who had left are coming back – because you have built an ecosystem that rewards talent and attracts investment. This is the way. Italy can be a place where every youth has the right skills and finds the right job. This is the kind of reforms that Italy needs to kick off a strong recovery.

Second, investment must be strategic. The resources from NextGenerationEU should not just restart the economy. With them, we must also make our economies evolve. Make them greener, more digital, more resilient to shocks. But this cannot be achieved by Brussels and from Brussels. We need each and every European country to identify strategic projects to shape the economy of tomorrow. NextGenerationEU will only succeed if it finds fertile ground in Italy and all across Europe. And I am confident that this will happen.

Italy has come out of countless crises. You were a devastated country after World War II, but you rose to becoming a G7 economy. In Milan, after the economic crisis of 2008, you seized the opportunity of the world EXPO to launch a new phase of economic and cultural growth for the city. This is a country of innovators. Throughout the centuries you have always been capable of rethinking your traditions, your artisanship, your industry, even your cuisine. Thanks to this, Italy has today the second industrial base in Europe. All around the world, 'Made in Italy' means beauty and top quality.

With NextGenerationEU Italy can reinvent itself once again. NextGenerationEU is a chance for Italy to decide what your future should look like. This is what is at stake, as your government prepares Italy's recovery and resilience plan. It is up to Italy to propose how to invest these new resources. But let me give you an idea of the kind of transformation that NextGenerationEU can bring about.

NextGenerationEU should finance a green recovery. After the financial crisis of 2008, global CO2 emissions reached a new high – because the recovery was fuelled with carbon-heavy investment. The world simply cannot afford to repeat the same mistake. We cannot keep polluting the air we breathe and destroying our beautiful nature. Europe is determined to do things differently.

We have asked all Member States to invest at least 37% of the Recovery and Resilience Fund to deliver on our European Green Deal. Italy could use its share of NextGenerationEU to switch to new energy sources such as clean hydrogen; to invest in electric public transport; or to support organic farming and industries that use recycled materials.

We have put some ideas and guidelines on the table, but the choice belongs to Italy. For instance, we have proposed to launch a Renovation Wave to make our buildings more energy-efficient. At Bocconi, you know something about sustainable buildings. I know that your new Urban Campus was designed as a 'green' complex – built with innovative materials and powered by the sun. This is a great model.

In Europe, buildings account for 40% of our emissions. And very often, they waste most of the energy that they consume. This issue is particularly sensitive in a country of antique buildings such as Italy. During the lockdown, the Italian construction sector got to an almost complete standstill. NextGenerationEU is an opportunity to get people at work again, when the sanitary situation will allow for it. And it is an opportunity for home owners, to make their properties more comfortable and more energy-efficient. It is up to Italy to draw practical projects to make your own homes, offices and universities more sustainable. It is now time to bring the Renovation Wave to Italy, into your cities and your homes.

Let me add that NextGenerationEU and the European Green Deal are not just about the economy and the environment. They can also be a cultural project for Europe. Think again about Bocconi's Urban Campus or the new buildings that shape the skyline of the city. They mix sustainability with a unique design. They make the necessary beautiful, too.

I find this fascinating. And for this reason, I would like to create a cooperative space for architects, artists, scientists and engineers. A place where they can bring together ecology and aesthetics, climate action and culture, form and function. A New European Bauhaus. And I cannot wait to see what incredible ideas will come from Italy – your contribution to a European movement.

NextGenerationEU should also finance a digital recovery. The pandemic has shown how dependent we are on digital technologies. High-speed internet has become vital to follow your classes or to run any kind of business. And the digital revolution will continue well beyond the pandemic. Big data are now entering even the most traditional economic sectors.

Italian industries are using data to monitor the consumption of their machines and reduce their energy bills. Data from satellites have become essential for precision farming. A new generation of Italian artisans are using robots and 3D printing to create shoes that perfectly fit your feet, or unique furniture for your home. Italian entrepreneurs understand perfectly well that history and innovation can go hand in hand. NextGenerationEU is an opportunity for everyone to embrace this digital

transformation.

20% of NextGenerationEU will finance the digital transition. It can bring broadband internet to the most remote Alpine villages or Mediterranean islands. It can help small businesses learn how to use artificial intelligence in their daily work. It can create safe and neutral data spaces where companies and universities can share their data. In Milan's region you have already a digital innovation hub. A place where academia meets business, start-ups meet big industries, and all entrepreneurs can learn how to benefit from Industry 4.0. Models like this, we want to invest in.

But we need Italians to imagine their physical hubs, create them and make them grow. This is your opportunity. NextGenerationEU can start a Digital Decade for Europe. But whether it will be a digital decade for Italy – this will depend entirely on Italians, on your ingenuity, on your ability to turn an idea into reality.

The pandemic has made us rethink the way our Union works. Every Member State will be in charge of its own national recovery plan. But the priorities come from Europe. And the destination is the same, for all 27. Because we all share the goal of a green, digital and resilient recovery. One of Europe's founding fathers, Jean Monnet, used to say that Europe would be forged in crisis. NextGenerationEU brings us one step closer to the Union that our founders dreamt of. A Union of solidarity and responsibility. A Union that is stronger than the sum of its parts. A Union that every European can be proud of.

Italy is home to many of our Union's founders. The European Union moved one of its first steps in Italy, with the Treaties of Rome of 1957. Back then, my father had the honour to be part of the German delegation that negotiated the Treaties. He was only 27. And on that day of March he was there, at Rome's Campidoglio, as the leaders of the six founding members made history. It was a generation of visionary leaders. They brought together countries and peoples that had been killing each other, until just a few years earlier.

And after them, other generations of visionary leaders created the Union that we know. The generation that built the Single Market. The generation that unified our continent, after the fall of the Berlin wall. Every one of these generations was faced with a similar choice. On the one hand, the status quo, the old disagreements, the path that leads to nowhere. And on the other, a more ambitious path, a path where all Europeans advance together towards the same destination.

This is the choice that we are facing again today. Our decisions will determine whether we can repair our economy, but also prepare it for the future. But building the future will depend on you, on the next generation of Europeans. You are studying to be the leaders of tomorrow – in business, in politics, in academia and in society. The future will be what you make of it. Europe will be what you want it to be.

So best of luck for this new Academic Year. It will be harder than many other years. But Europe needs you more than ever. Your talent. Your ideas. Your engagement.

Thank you and long live Europe, viva l'Europa.

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