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Facing Europe's challenges

Distinguished members of the academic community, dear colleagues of the consular corps, ladies and gentlemen, dear students !

1. Greeting

Thank you, Prof. Holland, for inviting me to speak here at Canterbury University in Christchurch. Being the ambassador of Germany, I am happy that you are the host for the EU Centres Network NZ. This centre contributes a lot to the understanding of Europe, its politics and society. Despite the huge geographical distance, it brings Europe closer to the New Zealand people. As German ambassador I have the same mission, because Germany is a member state of the European Union and Germany cannot be thought without the European Union anymore ! And that is why Prof. Holland was so kind to invite me: To talk about Europe's challenges in 2017.

2. Relationship NZ-EU/DEU

But first of all let me say a few words about New Zealand's relationship to the EU and to Germany, because this is very important to me. I really enjoy my diplomatic mission here. The relations between New Zealand on one hand and Germany and the EU on the other hand are already very close. Thus, my work can contribute to an already existing great panel of various relationships. We have strong economic relations between NZ and the EU. The EU is the most important import-partner for NZ and the third most important export-partner after Australia and China.¹ New Zealand and the EU are actually working on a Free Trade Agreement to even deepen this relationship. Germany strongly supports these efforts.

This year we celebrate the 40th anniversary of New Zealand-German research agreement. We inaugurated this anniversary with an Open Ship Day on the big German research vessel "Sonne" in Auckland on 25th January and we will have plenty more events coming up. Last year the Europe House opened in in cooperation with Auckland University of Technology. I could enumerate many more cooperations, but let me just underline Europe's – and especially Germans' – admiration of New Zealand with these figures: Each year almost half a million European and, among them, 95.000 German tourists come to visit beautiful New Zealand plus 16.000 under the work and travel scheme.

¹ http://www.auswaertiges-amt.de/DE/Aussenpolitik/Laender/Laenderinfos/Neuseeland/Wirtschaft_node.Html; ferner Sachstandsbericht NZL-EU Beziehungen v. 10.10.2016.

3. Diplomatic relationship

The diplomatic relationship has already quite a long history, even longer than the EU itself. In 1961, the first New Zealand ambassador was accredited to the EU-predecessor-organisation, the European Economic Community. Already in 1953, bilateral diplomatic relations had been established between New Zealand and Germany. The EU delegation in Wellington works in close contact with the member states' embassies. Practically we – the ambassadors of the European member states – meet monthly in order to coordinate our work. Additionally, the German our federal foreign office just published its final evaluation report on how to integrate the European point of view in all embassy-activities.

4. Germany and the EU

Germany is very willing to coordinate closely with our partners and to find common European paths. This applies not only to the work of our federal foreign office, but to all European politics. With € 24,3 billion (= NZ-\$ 35,9 bn), Germany contributes the biggest part of the European budget. That is 16 % of the EU-budget. Germany has been a member state right from the very beginning of European integration, when it took part in the European Coal And Steel Community to preserve the new created after-world-war-II-peace through the mutual control of French and German coal and steel production. This is not only boring history, but it is still reflected in the German citizens' opinion about the European Union: Being asked, the most mentioned answer to what is the greatest accomplishment of the EU, is peace.² Still now, after the financial crisis, the majority of Germans find that we benefit from the EU-membership.³

But my country is not Europe. While Germany has emerged from the financial crisis with even a boost of its economy, with the lowest rate of unemployment since reunification in 1990⁴ and a continuously growing GDP, things look totally different in several other member states: Spain and Greece have over 40 % youth unemployment. Greece is continuously struggling with its budget. Italy has failed to implement necessary reforms on legislative effectiveness. In France, Spain and Greece, less than 10 % trust their politicians.⁵

To sum up: European citizens feel a real danger to their wealth and security. This fear is fueled by some more upcoming challenges that the EU has to face in 2017.

² Bundeszentrale für politische Bildung: Europäische Union in der Krise. Sichtweisen und Bewertungen in acht Mitgliedstaaten, 2.12.2016; <http://www.bpb.de/apuz/238143/eu-in-der-krise-sichtweisen-in-acht-mitgliedstaaten>.

³ Ebda.

⁴ Bundesagentur für Arbeit, Der Arbeitsmarkt in Zahlen 2005-2015, S. 8, April 2016; <https://statistik.arbeitsagentur.de/Navigation/Statistik/Arbeitsmarktberichte/Jahresbericht-Arbeitsmarkt-Deutschland-Nav.html>.

⁵ Bundeszentrale für politische Bildung: Europäische Union in der Krise. Sichtweisen und Bewertungen in acht Mitgliedstaaten, 2.12.2016; <http://www.bpb.de/apuz/238143/eu-in-der-krise-sichtweisen-in-acht-mitgliedstaaten>.

The keywords are: Brexit, 16+1, migration, the need for a common foreign and security policy, Euro-currency, demography and youth unemployment. I want to illuminate the German perspective of views about these issues. After my lecture, I look forward to listening to your questions and opinions.

5. Challenges 2017

-Brexit-

This month the European prime ministers are celebrating 60 years of the Rome treaties, the European constituent documents. Also in March the British government probably submits its official notification to withdraw from the EU. The Brexit vote has created many questions to be answered in 2017: How do we deal with the UK after it will officially declare its exit? Will the outcome motivate citizens of other member states to consider an exit as well or at least seek substantial changes within the European framework? What are we, the EU as a whole, willing to change? There is still a lot of fog in the air.

Germany regrets the UK vote. Our clear priority is the preservation of cohesion within the EU. For Germany, the EU is not held for disposal. Speaking at your university, I can assure you that the Brexit is especially deplorable for both the British and the European education sector:⁶ British universities have benefited financially from European Union membership. For example, Britain's contribution to the EU's Seventh Framework Programme for Research and Technological Development (2007-2013) was € 5.4 bn, but British universities were allocated € 8.8 bn. British institutions were equally successful with regard to their applications for European Research Council (ERC) grants.

Since EU member states are the main recipients of funding, and this is tied to political requirements such as the unhindered movement of persons, the UK will presumably be largely excluded in the future. This is particularly painful in the case of major cooperation arrangements like Horizon, the EU's ambitious research and innovation program with a budget of more than € 75 billion (!). British universities are hoping that special agreements will enable many of the country's close ties with continental Europe to be preserved, which is hard to imagine. Britain maintains 205 official cooperative partnerships with German universities alone. And what about British and European students? Erasmus has been a tremendous help for millions of them to study abroad. Without the program, a fairly large proportion of them would have completed their studies without ever setting a foot into a foreign university. The new Erasmus + program will also offer working people the opportunity to gain experience abroad without a lot of red tape. Brexit threatens this freedom of movement in both directions and is likely to erect bureaucratic hurdles.

⁶ Folgende Informationen aus Christian Heinrich, „Was bringt der Brexit?“/“What will Brexit bring?“, LETTER, Das Magazin für DAAD-Alumni, 03/16, S. 15 ff.

⁷The European heads of state and government – except the British one – met in December 2016 to discuss the handling of Brexit. They stated that they are willing to catch up negotiations with the UK in consensus. Any agreement will have to be based on a balance of rights and obligations. Especially, access to the Single Market requires acceptance of all four freedoms: the (1) free movement of goods, the (2) freedom of movement for workers, the (3) right of establishment and freedom to provide services and the (4) free movement of capital (Art. 26 ff. AEUV). As long as the Brexit is not fully executed, Britain remains member state with all rights and duties. This concerns also Britain's duty not to negotiate new bilateral free-trade agreements before exit it proceeded.

The heads of state and government have also endorsed procedural arrangements for Brexit-negotiations: The European Commission will lead the negotiations on EU-side. There will be no preliminary negotiations before the British notification of withdrawal, not even about procedure or possible transitional arrangements. In accordance with the EU treaties, a two-year-period for exit negotiations starts with the official notification of withdrawal. The period can be prolonged only unanimously. But what will happen if there will be neither a negotiation agreement nor an agreement about continuing to negotiate after two years ?

Central to the remaining EU member states is to keep unity and solidarity and to preserve the European unity so far. After the exit, the remaining EU member states (EU27) will have to adapt to the new situation. Especially we will have to discuss how to deal with the new lower EU-budget, what to do with the former British parliament seats in the EU parliament, and where to transfer EU-agencies from Britain etc.

-16+1-⁸

Not only the north-east of Europe causes trouble – there is also a challenge waiting to be handled in the very east of Europe: The so-called 16+1-formula, that stands for 16 central and eastern European states - some of them EU member states- and the 1 is China, the historic empire of the centre.

The 16+1 is a Chinese initiative similar to other Chinese market penetration strategies, but also one of the main platforms aimed at enhancing multilateral cooperations to create a modern Silk Road. It shall promote the economic integration of China, Asia and Europe by improving infrastructure and increasing trade and investment. Within this broader initiative, Europe is emerging as one of the top destinations for Chinese capital. The central and eastern European countries represent a collective population of over 120 million with rising per capita income levels. That offers new market opportunities.

⁷ Vgl. Ihre „Steinbruch“-Unterlagen, siehe Handakte.

⁸ Vgl. Zum gesamten 16+1-Abschnitt Valbona Zeneli, „Central and Eastern Europe: China's Stepping Stone to the EU?“, 30-11-2016, in: The Diplomat, <http://thediplomat.com/2016/11/central-and-eastern-europe-chinas-stepping-stone-to-the-eu/>.

The Eastern Europe region furthermore represents a potential platform for China to leverage its growing economic and political influence with the EU as a whole.

The Chinese footprint in Europe has expanded significantly over the last decade. In 2015, Chinese investment in the EU reached a record high of USD 23 bn, from less than USD 3 bn in 2009. In this context, Central and Eastern Europe also receives an unprecedented level of attention. To strengthen economic cooperation with the region, the fifth 16+1 Summit concluded 2016 in Riga, Latvia.

It is not difficult to imagine that there also exists a political intention behind China's interest in the Central and Eastern European countries. There is the Latin quotation of "divide et impera" or "divide and rule" that could be relevant in this respect. China not only invests in infrastructure sectors like telecommunication, logistics and can compete in public procurement in Europe – all things that are restricted to foreign investors in China. By building up assets in these countries and fostering competition among them, China is both increasing its economic and its political influence only in some selected EU member states. China may have in mind the much-expected Investment Agreement between the EU and China that is currently under negotiation.⁹ In order to successfully negotiate that, the EU needs to speak with one voice. That seems more difficult if the relationship between China and the EU is primarily driven by individual member state interests to the detriment of wider EU objectives.

The 16+1 initiative will create more opportunities for China to direct its products, capital, labour and services to the central and eastern European countries. However, Chinese spillover in this region will not remain confined to infrastructure, trade and investment, but will also subtly extend to politics, culture and security. It seems worthwhile to pay attention at China's investment strategies in the region. Perhaps it is time to initiate a new debate about how to best coordinate a comprehensive response at the EU level taking into account both the benefits and consequences of Chinese investment in the region.

-Migration-

Another challenge for the whole of Europe is migration. Millions of migrants and refugees crossed into Europe in the last years. Our societies and citizens still struggle to cope with the influx and the EU debates on how best to deal with the coming people. Which countries are the migrants from ? The conflict in Syria made and still makes people flee. But the ongoing violence in Afghanistan and Iraq, the situation in Eritrea, as well as poverty in Kosovo, are also leading people to look for new lives elsewhere.

⁹ <http://ec.europa.eu/trade/policy/countries-and-regions/countries/china/>.

Germany receives the highest number of migrants and refugees with already over one million in 2015 only.¹⁰

In many EU-member states, populist forces promote fear¹¹ of foreign infiltration. That puts pressure on the established democratic parties and endangers the democratic liberties. People fear that terrorists are among the refugees and are skeptical whether the refugees can adapt to western values and integrate into the labour market. Events like the terroristic attack of a Tunesian man who hit a Berlin Christmas market with a truck murdering 12 people show that the anxieties are not made up out of thin air. Persons whose request for asylum had been rejected often cannot be deported back to their state of origin due to a lack of documents or missing readmission agreements with the state of origin.

What does Europe do, what can it do?

First of all, problems should be got at their root¹²: It is preoccupying to see that many people must flee from war. It is also sad to see that many others cannot see any future for themselves or their children in their homeland because of political oppression, poverty or violence. That should be changed at first. But these problems are often complex and difficult to resolve. This is also a task for all the diplomatic missions. In the meantime, Europe tries to handle with the arriving people. The EU endeavours to establish a common asylum system to coordinate the arriving people. Germany strongly supports these efforts. Unfortunately, not all member states do. Furthermore the EU enhances migration partnerships with states of origin and transition such as Mali, Niger and Ethiopia. These concentrate mainly on training and financing police and border patrols in African countries in return for the promise to take back rejected asylum seekers. The EU has put up another partnership with Turkey aiming to keep refugees in Turkey.

-Common Foreign and Security Politics scheme, GASP -¹³

More challenges come from outside of Europe. The world in 2017 is characterized by crises, conflicts and uncertainty, a world in turmoil as our former German Foreign minister Frank-Walter Steinmeier our future head of state, said.

Russia questions fundamental principles of the European order of peace annexing the Crimea and showing ballistic presence in Eastern Ukraine.

¹⁰ Daten von <http://www.bbc.com/news/world-europe-34131911>.

¹¹ Angst schüren, Übersetzung auch genutzt von europarl.europa.eu, siehe Ergebnisse bei linguee.de.

¹² An der Wurzel packen, Übersetzung auch genutzt von europarl.europa.eu, siehe Ergebnisse bei linguee.de.

¹³ Abschnitt überwiegend entnommen aus Rede von Staatsminister Roth, 29.11.2016 bei der Berlin Security Conference: "Europe at risk – what are our answers to common threats?", abrufbar unter http://www.auswaertiges-amt.de/DE/Infoservice/Presse/Reden/2016/161129-StM_R_Berlin_Security_Conference.html.

Islamist terror and refugee migration come from countries like Libya, Syria and Iraq. Donald Trump's election preoccupies not only you here in New Zealand but brings huge uncertainties also to Europe. How will we cooperate in the future, will it be based on dealing principles? What will happen to the NATO regarding the USA's losing will to engage in the world's developments?

Everywhere the situation is really complex and hard to understand. That is sand on populist's mills, who seem to offer simple answers. But there is no easy solution to close borders, discontinue political relationships or to leave the NATO – recipes that are suggested by populists.

First of all, dangers to Europe coming from the described multiple crisis can only be resolved unitedly and with reliable partners. For Germany, that is the EU at first.

Today, the EU faces new security risks and an increasingly threatening international situation. External risks have moved closer to our borders. No member state can face these global issues alone – not even Germany.

The EU has to speak with one voice, more than ever before. Otherwise we won't be heard any more. We must not be paralyzed by our sorrows about the world. Just now we need a reliable and courageous European foreign policy.

War and terror come to Europe. Also in Germany, we mourn the death of several Germans and foreigners because of the terror attack to a Berlin Christmas market last December. Europe has to take on more responsibility for peace and safety in the world – as crisis manager and mediator, and yes, in case of emergency also with military means. This has a great sustain among the European citizens: Two thirds want "more Europe" when it comes to foreign and security policy.

Times of uncertainty are always times of self-assurance: What are the Europeans ready to do in terms of security policy? What are we able and what do we want to contribute?

To make one thing clear: When it comes to foreign and security policy, it is not only about interests. It is about common values – democracy, the rule of law, tolerance for minorities and the freedom of speech and press. These principles are hallmarks of Europe.

We have to live these principles day by day ourselves and defend them against attacks within the EU, if we want to seek compliance by others. The EU is a community of principles. That's why the German government has made it clear to the new US-administration: our future cooperation depends not on power, but on principles and values.

-Our currency, the Euro-¹⁴

Let me introduce you to another challenge, that bothered European politicians already for a while and isn't completely settled yet: our currency, the Euro. It's actually the most tangible proof of European integration – the common currency in 19 out of 28 EU countries and used by some 338.6 million people every day. The benefits of the common currency are immediately obvious to anyone travelling abroad or shopping online on websites based in another EU country. The countries using the Euro are collectively known as the Eurozone. Over 175 million people worldwide use currencies which are pegged to the euro.

A single currency offers many advantages. It eliminates fluctuating exchange rates and exchange costs. It makes it easier for companies to conduct cross-border trade, the economy is more stable. A common currency also encourages people to travel and shop in other countries. At global level, the Euro gives the EU more clout, as it is the second most important international currency after the US dollar now.

The independent European Central Bank (ECB) is in charge of monetary issues in the EU. Its main goal is to maintain price stability. The ECB also sets a number of key interest rates for the euro area. Although taxes are still levied by EU countries and each country decides upon its own budget, national governments have devised common rules on public finances to be able to coordinate their activities.

Unfortunately, the coordination between the member states can't resolve all problems that we still have. The acute phase of the Euro crisis may be over. But it has been replaced by a constant crisis.¹⁵

The European monetary union has some construction faults that are still not fixed. For example, with one common currency, single member states can't devalue anymore. Then, more important, politics of finance and economy haven't been aligned equally. Before the monetary union was founded, many economists doubted that a monetary currency would work out without having harmonized politics of finance and economy. It turns out that they are probably right with this prediction, but a harmonization of these core fields of national politics was simply not achievable. Later, the members of the monetary union decided to implement regulations for national politics and implement the principle that no member state vouches for the debts of another member state – the bail-out-ban. That is the theory, but in practice, there are huge transfer payments from the wealthier member states to those in trouble. Greece is the most obvious example.

¹⁴ Daten und Fakten zu diesem Thema aus http://europa.eu/european-union/about-eu/money/euro_en.

¹⁵ Das Folgende entnommen aus Rede von Dr. Schäuble, 11.01.2017, <http://www.bundesfinanzministerium.de/Content/DE/Reden/2017/2017-01-11-Festakt-EU.html>.

By the way, that is different from how it works in Germany. Our constitution, the Grundgesetz, provides a liability union between the Federal Republic and its 16 member states, the Länder.

Because we are a monetary union without a fiscal union, we have to set up rules and follow them. If the EU member states followed the rules, then it would work out. Those member states that followed the rules in the past have been the most successful in the last years. So our problem is not a lack of rules, but a lack of implementation of these rules.

To improve implementation, the monetary union could develop the European Stability Mechanism towards a European monetary fund. We could let it identify risks in the member states at an early stage, survey and manage – in dialogue with the concerning member state – realizing risks. We could set up clear rules how creditors have to participate in upcoming debt restructuring processes.

In the end, the monetary union is somehow a core-Europe. We have to defend it strongly. Because if even this far integrated core-Europe does not work, then we will have big difficulties to defend Europe's integration as a whole.

-demography and youth unemployment-

I can just touch on two more important issues for the EU. In the face of the dramatic developments on the world stage that I mentioned before, these issues have been eclipsed. But that doesn't mean that they are less pressing !

At first hand they seem contradictory, but still they exist alongside each other: the development of our European demography on one hand, with many old people to maintain already now and even more in the future, respectively to less children and younger people, and a huge number of unemployed young people on the other hand, who barely see a future for themselves that allows them to keep the living standards that their parents have achieved.

Let me present some figures to you that will illustrate the situation.¹⁶

Europe is the only region in the world that will undergo a decrease in population within the next decades. In 1950, 26,2 % of the European population was 15 years old or younger. 2010, only 15,4 % were 15 or younger. On the other end of the scale, we had 8,2 % of people older than 65 in 1950 compared to 16,2 % in 2010 and approximately 26,9 % in 2050. In the EU in 2050, the share in population in its working age will be 57 %. Imagine that: Nearly every working citizen will have to support financially himself and one other person. Germany is highly affected by this progress. In 20 years, every third German citizen will be over 60 years old.

¹⁶ Daten des folgenden Abschnitts entnommen aus bpb, Altersstruktur und Bevölkerungsentwicklung, 2011, abrufbar unter <http://www.bpb.de/nachschlagen/zahlen-und-fakten/europa/70503/altersstruktur>.

The demographic change has two components: low fertility rates and a steadily increasing life expectancy. It is obvious that this will have a deep impact on our existing system of pension scheme and health care system. Will our standard of living sink? Will our children be able to pursue happiness as my generation could do?

Having this in mind, the demographic progress is normally seen as an overwhelming social problem. But this is not the only way it can be seen.¹⁷ First of all, we won't only have longer lives, but also longer healthy lives. This is a gift and one of the biggest achievements of modern civilization. The times of illness and disease will have a smaller share in our overall lifetime. That's great! But to make it economically feasible, things have to change fundamentally. Key words are life-long learning, a flexible retirement age, and a rethinking of how work time should be distributed over the life cycle and over men and women. There are already good role models to look at, for example Denmark has implemented broad reforms already.

On the other hand, to increase the fertility rate, access to child care must be broader, times off from work must be easier to get and become financially feasible to a broader public. Germany has already made a huge development in this topic: Parents do not only get 190 € (=280 NZD) monthly per child (Kindergeld) and reductions on taxes, but also, since 2007, a governmental financial substitute between 65%-100% of their missing wages when they temporarily go in parental leave. Since 2013, parents are entitled to get partly subsidized child care from the baby's age of 12 months. These measures seem to have an impact on German fertility rate: Since 2012 fertility rates are slowly but constantly increasing. The latest data is from 2015. By then, the fertility rate has achieved the highest level for 35 years.¹⁸ Furthermore, as an interesting note: women with migration background contribute slightly more to the German fertility rate.

Despite the fact that more elder people retire from work than younger people enter into the workforce, Europe faces a serious youth unemployment problem in several regions.¹⁹ Following the financial and debt crisis, youth unemployment sharply increased in all EU member states - except Germany. Nevertheless, youth unemployment is not a recent phenomenon that can be ascribed only to the Great Recession. Most European countries have faced difficulties in integrating youths in the labour market for many years, and youth unemployment rates are generally higher than adult unemployment rates.

Nevertheless it is alarming that high rates of young people are disconnected from the labour market, as they are neither in education, employment or training. In Italy, the proportion of such disconnected youths has ranged between 15 – 20 % since 2000, and Greece and Spain have even surpassed Italy.

¹⁷ Hierzu und im Folgenden Schwentker/Vaupel, Eine neue Kultur des Wandels, in: APuZ 10-11/2011, S. 3 ff.

¹⁸ https://www.destatis.de/DE/PresseService/Presse/Pressemitteilungen/2016/10/PD16_373_126.html.

¹⁹ Folgende Abschnitte vgl. Studie der Robert-Bosch-Stiftung zu Jugendarbeitslosigkeit in Europa; <http://www.bosch-stiftung.de/content/language1/html/55640.asp>.

In 2014, every second young Spanish and Italian was unemployed. The numbers decrease only slowly.²⁰ Another alarming feature is that in some countries, especially in Southern Europe, a huge proportion of young workers are employed on temporary contracts that are not related to apprenticeships and require very long periods to make the transition to permanent positions.

There is not one common reason for high youth unemployment rates in all affected countries. Several structural factors play an important role. Severe deficits in the education and training system can lead to low-qualified youths. They are the most at risk to face unemployment. Skilled youths then must meet the demands of the labour market, which not always is the case. Then structurally, the costs associated with the dismissal of permanent workers can be a constraint on job creation. If the legal setting makes dismissal for economic reasons too burdensome, firms will increase the use of either temporary contracts or service provision contracts.

What to do? Structural reforms aimed at improving global competitiveness and the dynamics of job creation are fundamental. Then, working against skill mismatch requires modernising education and training systems. As a short-term measure, youths could – and already does – use the benefits of the unified European labour market. When the jobs are elsewhere, moving there seems to be a solution.

6. Conclusion

The challenges ahead seem multiple and diverse. But looking deeper, you see that they all, in some way or another, are connected. Migration won't resolve the demography problem, but might be a chance to cushion the impact. Brexit and the 16+1 phenomenon are linked by the increasing nationalism not only in Europe. National protectionism results partly from political frustration by many citizens that fear a decline in living standards and chances for themselves and for their children. Youth unemployment even fuels these anxieties. National protectionism across the Atlantic shows us that we have to stand up for common interest: a united European Union that speaks with one voice.

²¹With the Brexit, European integration makes its very first step backwards. Apart from some peculiarities of the British Europe-debate that led to the Brexit vote, an increasing skepticism about Europe is highly visible everywhere in Europe by now. The broad integration consensus that has been once, has become fragile and even yielded partly to an EU-opposed attitude. Not only in Washington, but also in Brussels' conference rooms, national thinking takes place more and more. The more populist and nationalistic forces gain votes in 2017, the narrower and the more national will interests be defined in future.

²⁰ <http://www.bpb.de/politik/hintergrund-aktuell/225124/jugendarbeitslosigkeit-in-europa>.

²¹ Vgl. Ihren "Steinbruch", „IV. Europäische Union – Konsolidierung im Jubiläumsjahr oder Krise ohne Ende?“, in der Handakte.

The biggest danger for the EU therefore could be not the Brexit itself or the other mentioned challenges, but the constriction to act collectively with success. There is to fear a kind of drying-out from the inside. The EU could lose its creative power – which once was intended to be its attraction: Its soft power to find solutions, its promise of security and wealth.

²²Many people feel that the EU has failed in the crisis. They have doubts about the meaning and value of Europe. They have lost confidence and want to retreat into their national shells. This is where nationalists and populists all over Europe step in with their simple answers to complex matters. Responsible politicians have to respond to sceptics and critics with facts, arguments and by putting commitment to Europe into practice.

The EU seems to be the best answer Europeans have when it comes to tackling the challenges ahead. If we want our economies to prosper, if we want to retain our modern and stable welfare systems, regulate financial markets, counter the threat of international terrorism, protect refugees worldwide and protect the climate, we have to work together. No national government can surmount these challenges alone. Only a united Europe has chance to regain capacity to act and influence what is happening on the world stage.

Last year, our German parliament's president, Dr. Norbert Lammert, visited New Zealand. He is one of our leading politicians and has visions that I want to share with you. In occasion of the election of our new German president, Mr. Frank-Walter Steinmeier, last month, he said the following:

“100 years ago, at the end of World War I, when the USA entered war shoulder to shoulder with the liberal democracies in Europe, something has been constituted what we call “the west”: a world wide community of values. This community has a story of a neverending normative process. Germany has luckily decided to join that process after terrible aberrations. The story of normative process has always been a story of violation of our own values, but likewise a story of self-critic and self-correction. Nowadays, we need both more than ever – self-critic and self-correction. We need this in our western community of nations and in our liberal societies. The Western values themselves are not questioned, but our attitude towards human rights, the rule of law and the principles of representative democracy.

Who promotes isolation instead of open-mindedness and proverbially immures himself, who counts on protectionism instead of free trade, who proclaims “We first!” – those people shouldn't be surprised if others follow. The nationalistic and populist developments in many countries in the world worry me deeply.

²² Folgende Abschnitte aus Rede von Staatsminister Michael Roth bei Berlin Security Conference, 29.11.2016, „Europe at Risk – What Are Our Answers To Common Threats?“.

In our globalized world, we cannot handle the big challenges within our national borders, neither in the financial world, nor when it comes to talk about migration, nor in defeating terror, nor fighting climate change. That is true not only for our small European nations, but also for our partner across the Atlantic. Every trial to handle them alone only creates more problems. We, the European people, will only preserve parts of our ability to handle our own issues independently if we share our sovereignty. That's why we need the European Union – some even dream of the United States of Europe. If neither the US American president nor the Russian president have an interest in a strong Europe, that might even highlight our need to work on such a strong and united Europe."