

Speech
By former Chancellor Gerhard Schröder
At the
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Check against delivery!

Ladies and Gentlemen!

Thank you for inviting me to your German Symposium 2007. An invitation that I was very pleased to be able to accept.

Firstly, because it provides me with an opportunity to pay my respects to the German Society of the LSE, which does an exemplary job in promoting an interest in Germany and its culture, history and language.

And secondly, because it has always been an honour to be asked to speak at the LSE. A venerable, highly-established institution known to be one of the universities fuelling political debate around the globe.

I have been invited to share my thoughts with you on prospects for a peaceful development in a globalized world.

So: what are the two greatest challenges the world community is faced with?

First, the phenomenon of globalization. This is the intense competition, not just between individual companies, but entire national economies.

And the second central question of international political decision-making today, namely: How can we establish and maintain peace and security in a world that has changed dramatically after the end of the cold war?

Concerning globalization there is only one response national politics can give:

to guarantee wealth and social stability for the next generation we must implement fundamental and sustainable reforms. These reforms must contain two elements:

changes to the social security systems – health, pensions and the labour market – in order to maintain the existence of a welfare state and to keep it affordable.

And: re-directing subsidies from the past to investing into the future, that is in education and research.

When more than three years ago, I launched the Agenda 2010 modernization program in Germany, it was aimed at addressing precisely these objectives.

Some societies in Europe, for example in Scandinavia, started such a course of modernization much earlier than we did.

And as a result, they also reaped the benefits much earlier. But in Germany, too, we are beginning to see some first and lasting successes resulting from reform steps that have been taken.

The labour market reforms are beginning to work and the economic impulses triggered by the changes are contributing to the upward economic trend.

Ladies and Gentlemen,

Each and every individual feels the consequences of globalization in his or her daily life. Many feel helplessly exposed to these processes and their impacts.

And some are concerned that their national identity is at stake, that their cultural identity will be erased through the spread of ever more generally accepted norms.

Such criticism must be taken seriously. Leading politicians around the globe are now called upon to convince their populations of the fantastic development opportunities of globalization for all.

Opportunities, which are generated by global business activity and free world trade.

But we will only succeed by influencing and controlling the process of globalization. Pruning it back where it reveals tendencies that threaten us. And freeing it where it is limited by protectionism.

In other words: What we really need is an humane process of globalization.

That is why I feel, that – when it is about globalisation - political decision-making is important.

Faced with ever faster change in our global economic system, we really need a reliable set of rules and agreements we can all abide by.

Such rules would guarantee a free development of competition and world trade. We must do all we can to involve all countries in the global network of economic activity.

We cannot afford to see the world falling into two camps: those who benefit from globalisation and those who suffer.

As free trade increases opportunities for prosperity, we must ensure that poorer countries especially are given access to markets around the globe.

They must not be kept out by means of punitive customs or protectionist provisions.

What we need is better market access for products from developing countries and we must also do away with subsidies distorting the natural flow of trade.

That is why – in recent years - I have strongly supported progress in the Doha World Trade Round.

What we now need, is a joint effort by all WTO members to take the major step so urgently needed for global economic development.

On the one hand, this will involve a reduction of customs on industrial goods as well as the liberalisation of services.

On the other hand, a success will necessitate a reduction of agricultural subsidies.

Finding a compromise will mean that everybody must move and make concessions.

In a globalized world, multilateral trading systems are superior to other systems, because they are fairer.

A multilateral approach is the only one geared to letting many people feel and see the tangible benefits arising from globalisation.

Ladies and gentlemen,

as I mentioned before, the second challenge we are facing is the international security situation.

The 21st century has not made our world a safer place. New dangers have arisen: There is the threat of international terrorism.

There is privatised violence, the disintegration of entire states and their structures and the fear of weapons of mass destruction.

Old, long-lasting regional conflicts block peace and stability, both in the affected regions and way beyond.

The fight against international terrorism is one of the toughest challenges the international community of states ever faced.

The attacks in New York and Jakarta, in London and Madrid have made this abundantly clear in the most gruesome way possible.

Acts of terrorism are a fundamental threat to any civilisation. That is why it is a matter of self-respect for any peaceful society to fight terrorism.

Having said that, we are all aware that security cannot be guaranteed by police or military means alone.

In the long run, the fight against terrorism can only be won if people feel that there is a degree of success in their lives.

When they experience that, saying “no” to violence and terrorism does indeed pay a dividend.

A return into the international community not only leads to more freedom and security, but also brings better opportunities for development and a degree of prosperity.

The dividend of peace must not just be theoretical, but a tangible reward for people around the world.

If we want to withdraw the breeding-ground for fanaticism, we must create more political, material and cultural security around the world. This is a challenge that Europe, in particular, needs to face.

There are three points that I consider to be crucial:

Firstly; after all this time, we finally need a long-lasting solution to the Israeli-Palestinian conflict.

This conflict is the greatest international challenge, because it negatively impacts on other crisis-stricken countries, such as Iraq or Afghanistan.

A peaceful settlement is especially important for us Europeans, as this conflict takes place in a neighbouring region and thus is a direct threat to our security.

Any peaceful solution must provide the state of Israel with secure, reliable borders as well as establishing Palestine as a sustainable state.

This objective can only be achieved when direct negotiations take place with the democratically elected palestinian Government.

And when Syria and Iran, both important players in the region, are also included in the peace process.

Secondly: we will only see an improvement in the middle east, when its countries are more strongly integrated in the world economy.

Because deeper economic ties and mutual dependencies create both trust and a readiness to cooperate.

Examples of these positive developments can be seen in the relationship between Germany and the Gulf States, in particular, the United Arab Emirates.

The United Arab Emirates are a source of stability in the region, with a thriving economy and growth in trade. In addition, we see first steps towards a process of democratization.

Isolation, in contrast, leads to encapsulation and a hardening of positions.

This is precisely the outcome of the American policy towards Iran, which has resulted in a weakening of the reformers in Tehran and a strengthening of fundamentalist forces.

And thirdly, we Europeans must do all we can to encourage and support stability in the Arab countries.

This applies first and foremost to Iraq. The drive for democracy is, clearly, important. Presently, however, security and, above all, maintaining the country's unity, are even more critical for the Iraqi people.

I was against the war in Iraq. My reasons were known to those in favour of this war and they were openly discussed at the time:

- The threat to the territorial integrity of Iraq.
- The threat to stability in the region.
- A weakening of the coalition in the fight against international terrorism.
- A fulfilment of the prophecy expounded in "A Clash of Civilizations".
- And the long and expensive commitment required to build a democracy in Iraq.

International politics, however, is not about whether or not one was right. It is about establishing stability and peace in the region.

That is why, after the conflict, Germany strongly contributed towards stability in Iraq – for example by training Iraqi security forces as well as by granting generous debt relief.

But what is the priority now ?

What is needed is a sensible exit-strategy that ends the occupation, whilst not leaving Iraq in a state of chaos.

It is the responsibility of those countries that went into Iraq to initiate and implement this process.

The Baker-Hamilton report provided some critical recommendations on how to link the end of the military occupation with a diplomatic initiative in the region.

But this strategy is clearly not one that the United States of America plans to pursue. This is a mistake – yet another mistake.

Because a war can be won with military means ... but a peace can not.

Stability in Iraq, and beyond, will only be possible when all of the countries in the region are included in the process.

Syria has a critical role to play. But dialogue with Iran is also important.

But the need for stability also applies to other countries, such as Afghanistan, Lebanon and the Palestinian Territories.

If these countries are to provide security, welfare and stability for their people, they must establish functioning state structures.

Where this does not succeed, fundamentalist groups can fill the vacuum and gather support for their political positions.

This also means that Europe needs to actively support the civil societies, intellectual discussions and the process of democratization in these countries.

Ladies and gentlemen,

I am absolutely certain that intense regional co-operation between neighbouring states is an important pre-condition for peace, development and prosperity.

I say this as a committed European. Because it is a lesson we have learnt on our continent.

The process of European integration, a common market, and a joint currency helped us overcome nationalism.

Europe - made up of a community of peaceful states - was our peoples' answer to centuries of war and destruction.

And: The process of European integration is another response to globalization.

Because Europe, in competition with other world regions, especially with the USA, and in Asia, with China and India, will only be able to survive if it has both a common internal market and political unity.

The European Union is currently going through a difficult phase. As a result, the process of deepening within the European Union has slowed down - especially regarding the agreement and adoption of the European constitution.

But we need this constitution as it gives the enlarged European Union greater decision-making capabilities whilst making it more politically manageable at the same time.

We must not allow that this great project of a European constitution is abandoned or shelved indefinitely.

The objective is now to persuade citizens of its rightness – with arguments and with political action at the European level.

This also applies to the process of enlargement of the European Union.

Again and again, I am surprised by the howls of complaint when we talk about the risks and opportunities of enlargement.

But which political, cultural and, above all, economic gain would we have missed out on if we had not seized the historic economic opportunity of integrating the Eastern European states into the European Union?

I personally stood for this project because the benefits for our societies by far outweighed peoples fears.

Right now, we should not listen to the doom-and-gloom merchants who are questioning the accession prospects of the Balkan Countries and Turkey.

Because stability and wealth in Europe can, in the long term, only be secured if we also offer a European perspective to our immediate neighbours.

The perspective of European integration is a major driving force for political, economic and social change in these countries. The door to the Union must therefore remain open.

In this context one thing is abundantly clear: there are limits to enlargement. However, these are not geographical, but rather are defined by the Union's capacity to accommodate new members.

But our responsibility for Europe does not end at the borders of the European Union. If we fail to live up to this responsibility we will pay a high price.

The wars in the Balkans in the 90-ies are painful evidence of this and, at the same time, a warning for the future.

Ladies and Gentlemen,

this is also one of the reasons why I came out strongly in favour of Turkey's accession, and continue to do so ...

Turkey's accession to the European Union would be of considerable benefit to Europe and Turkey security-wise.

Over the decades Turkey has been a reliable partner for Germany and Europe.

Turkey, in her strategically important position on the interface between Europe and Asia, can also enhance Europe's political standing in the world.

But the vital point in considering the increased security resulting from accession is that a democratic Turkey committed to European values would be clear proof that there is no contradiction between Islamic faith and an enlightened, modern society.

That would be a marvellous perspective. Since Turkey would then serve as a model for other Muslim countries in our European neighbourhood.

Furthermore, there is also an enormous economic potential inherent in the further rapprochement between Turkey and the European Union.

Ladies and Gentlemen,

stability and wealth in Europe are not to be had without a strategic partnership with Russia.

Russia is an important partner for peace and security in Europe and in the world – particularly when it comes to the peaceful resolution of international conflicts.

As the former Chancellor of the Federal Republic of Germany let me say this: Especially for us, the Germans, a close partnership with Russia is of immense importance for historical reasons.

Russia and Germany are experiencing a time of historic change that opens up unprecedented possibilities of partnership to our two peoples.

We are currently at an important juncture in the relations between the EU and Russia. Russia is – beyond oil and gas – a partner with enormous possibilities for the European economy.

I have often discussed this issue with European Commissioner for Trade, Peter Mandelson.

Our vision is an integrated market of EU and Russia, in which we share common rules and which will bring together 600 million people. It will enable us to pool our resources, know-how and technology for mutual benefit. This will help us to meet the challenges of the globalised world.

This strategic partnership between Russia and Europe will benefit both sides:

Firstly: It will promote the further modernization and stabilization of the Russian economy while ensuring European influence on the market development in Russia.

Secondly: The mutual dependencies can create political trust between Russia and Europe. Investment projects can be initiated with eastern Europe being strengthened as a bridgehead towards Russia.

And, thirdly: Europe as Russia's prime energy partner would also be a global player in the world economy on a par with the United States and Asia.

Ladies and Gentlemen,

our response to the challenges I have outlined, will determine the direction the globalised world will take – politically, economically and culturally.

Europe has a special responsibility when it comes to facilitating dialogue, settling conflicts peacefully and ensuring that globalization includes a social dimension.

And now, I look forward to an open discussion with you.

Thank you very much for your attention.