



SPEECH

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Republic of Germany

LOWY INSTITUTE
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THE 2014 LOWY LECTURE: DR ANGELA MERKEL, CHANCELLOR OF THE FEDERAL REPUBLIC OF GERMANY

It's a very great honour for me to give the annual Lowy Lecture here today. I'd like to thank the Lowy Institute for International Policy for this invitation, which I was delighted to accept.

It's true that what has brought me to Australia is the G20 Presidency. This is my first trip to this wonderful country. However, many other Germans were fascinated by Australia long before me. This vast country in the ocean holds a powerful attraction. Of course, one of the reasons for this is that from our perspective it's on the other side of the globe. Down Under, as we say.

Some 163,000 Germans embarked on the long journey to Australia last year. I'm especially pleased that so many young people made use of the opportunity to study at one of your universities. They took advantage of the working holiday visa agreed upon by our two governments. It really is of great practical importance.

Let me remind you of the geologist, botanist and zoologist Ludwig Leichhardt, a native of the Brandenburg region, who explored the interior of this continent in three expeditions during the 1840s. Schools and streets in both Australia and Germany are named after him today. One of Sydney's districts bears his name. Numerous links have thus been created between our countries over the years.

Some of them, however, mark terrible chapters in our shared history. We're especially aware of this in 2014, when we're remembering the outbreak of the Second World War 75 years ago and the Shoah, that ultimate betrayal of all civilised values – and most particularly the outbreak of the First World War 100 years ago. There's a reason why the First World War is often referred to as the seminal catastrophe of the twentieth century. For Australia and New Zealand, the First World War was a bitter reality. Almost exactly 100 years ago, the first 30,000 soldiers left Albany for Alexandria in Egypt on 38 ships. Prime Minister Tony Abbott spoke of their fate just a few days ago on 1 November. Tens of thousands of Australians were killed in the battles against Germany, the Austro-Hungarian Empire and the Ottoman Empire in the Dardanelles and on the Western Front, while more than 130,000 were wounded. Every year on 25 April, your country marks ANZAC Day, when you remember the landing in Gallipoli, when so many lost their lives. This is a very special day of commemoration.

Ladies and gentlemen, how could it come to this one hundred years ago? Why did peoples and nations take up arms against each other? Looking back to the time leading up to 1914, one thing in particular stands out: the lack of communication among the political elites of European states and the complete failure of diplomacy. There was a lack of suitable mechanisms and institutions which would have allowed countries to exchange views, build mutual trust and engage in cooperation. There was no readiness to accept compromises. There was no will to settle differences peacefully – partly due to an arrogant belief on both sides in their own military superiority. Yet the belief that modern wars could be contained proved to be a fatal mistake. What was initially a regional crisis in the Balkans engulfed the rest of the continent within just a few weeks.

We can't undo what happened back then. However, we can – and indeed I would say we must – learn the right lessons from this. In 1914, national self-importance and cold-blooded military logic pushed aside responsible politics and diplomacy. In 2014, in contrast, we in Europe are striving to engage in dialogue and find peaceful solutions – no matter how difficult the negotiations may be. Today's 28 member states of the European Union have put their faith in the power of economic, social and political integration. We have put our faith in the cohesive effect of a community of shared values. We have put our faith in institutions which are committed to the common European good. The Heads of State and Government of the 28 member states, as well as their Ministers, have regular exchanges on topical issues. We meet, we talk, we know one another. This is how to strengthen mutual trust. And trust, I think we would all agree, is the most important prerequisite for flourishing political cooperation. The precarious balance of constantly shifting alliances among states was replaced by a European legal community quite some time ago.

Nevertheless, we've seen that even in Europe there are still forces which refuse to accept the concept of mutual respect or the settlement of conflicts using democratic and rule-of-law means, which believe in the supposed law of the strong and disregard the strength of the law. That's exactly what happened when Russia flouted international law and annexed Crimea at the start of the year. Russia is violating the territorial integrity and the sovereignty of Ukraine. It regards one of its neighbours, Ukraine, as part of a sphere of influence. After the horrors of two world wars and the end of the Cold War, this calls the entire European peaceful order into question. Russia is now seeking to exert influence in order to destabilise eastern Ukraine in Donetsk and Luhansk.

In this connection, I would like to remind you of the presumed shooting down of the Malaysian aircraft MH 17, which claimed the lives of so many. The victims included 38 Australians and four Germans. The Ukraine crisis really is more than a regional crisis. We can see from this example that it affects us all.

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And I ask you: who would have thought that, 25 years after the fall of the Berlin Wall, after the end of the Cold War and the end of the division of Europe and the world into two blocs, something like this could happen in the heart of Europe? Outdated thinking in terms of spheres of influence which tramples international law underfoot must not be allowed to prevail. I firmly believe that it will not prevail, even though the road may be long, even though it may be arduous and bring with it many setbacks.

The approach pursued by the European Union and its partners to overcome the Ukraine crisis serves this aim. First of all, we are supporting Ukraine both politically and economically. Secondly, we will make every effort to reach a diplomatic solution to the conflict by talking to Russia. Thirdly, we have imposed economic sanctions on Russia on the necessary scale and for the requisite duration. The overriding goal of this approach is to maintain Ukraine's sovereignty and territorial integrity, thus enabling it to decide its own future.

I'm very grateful that Australia is supporting this political approach. We decided to adopt this strategy not least against the background of the lessons we learned from history. It took centuries before the peoples and nations of Europe found their way initially to economic and later to close political cooperation. One symbol of this process was the signing of the Rome Treaties 57 years ago. These treaties are based on the conviction that European integration was and remains a question of war and peace. Furthermore, it is the key guarantor that we – with our values, our way of life and of doing business – can hold our own, even in the globalised world of the twenty-first century.

If the European states – which, after all, have a total of 500 million inhabitants – can speak with one voice, then they will be better heard than any individual country on its own. That's why it's always worthwhile making an effort to find a single European voice. I often realise in my talks around the world that the rest of the world has high expectations of Europe. To what extent we succeed in living up to these expectations, and how strong Europe is, especially in economic terms, will go a long way to determine the possibilities we have for standing up for our values – freedom, the rule of law and democracy – around the world.

Economically, Europe experienced some tough years. They were marked by the international financial and economic crisis in 2008 and 2009 which led almost seamlessly to the European sovereign debt crisis. This crisis is now under control, but it has by no means been completely overcome yet. We therefore have to resolutely remain on course, consolidate our public finances, use any leeway we have in our budgets to boost growth in a targeted fashion, launch structural reforms for more competitiveness and considerably strengthen the coordination of the economic policies of the eurozone countries. We therefore have to do now what we failed to do to an adequate extent when the euro was introduced.

Last June, the European Union adopted for the first time a strategic agenda, which is scheduled to run for the next five years. This agenda focuses on the key challenges we face. We're thus making it clear that the European level really shouldn't feel responsible for everything but that it has to combine its efforts.

In trying to foster competitiveness, growth and employment, we also always have to strive to make the European social and economic model, which combines economic success with social and ecological responsibility, successful on an enduring basis. There's no denying that this is a major challenge, especially in view of the tough global competition. We Europeans are very much aware that the world isn't waiting for us. We're facing ever more and ever stronger rivals on the global markets.

We only have to look at the Asia-Pacific region. It consists of countries which between them now produce just under 40 per cent of global output. The region accounts for one-third of the world's exports – roughly the same as Europe. Its economic growth, 4.8 per cent on average, is among the highest in the world. China, India and Indonesia and other countries in the region play an increasingly important role in the global division of labour. What's more, they are bringing their political influence ever more to bear, for example in the G20.

Europe not only has close economic ties with Asia. We Europeans are following very carefully those developments in the Asia-Pacific region which are relevant to security policy. Take, for example, North Korea's nuclear program or the territorial conflicts in the East and South China Sea. Asia is the only region in the world in which military expenditure has steadily grown since 1988 – by 3.6 per cent in 2013 alone. Furthermore, political and economic development in the Asia-Pacific region has been anything but linear, because the countries and societies of this region are too heterogeneous and they have very different histories.

The road to open, pluralistic societies can sometimes be very difficult and stony. Nevertheless, I'm confident that it holds out the prospect of greater stability in the long run. Europe will gladly help countries travelling down this road wherever it can. To this end, we can use the fora in which Europe is engaged in close dialogue with countries in the Asia-Pacific region – for example the ASEAN Regional Forum or the ASEM summit, which recently took place in Milan. In these fora, we're guided by our hope that the rise of Asian states proceeds peacefully and without painful bumps. For that is in our own vital interest. ASEAN plays a key role here. This federation paved the way for more integration via growing economic ties. The aim is to establish the ASEAN Economic Community, which will include the economically weaker ASEAN member states, by the end of 2015. Germany and the European Union support this development.

We Europeans are very much aware that the world isn't waiting for us. We're facing ever more and ever stronger rivals on the global markets.

For Germany and Europe, it's important to know that Australia is a partner in the Asia-Pacific region which shares our values: universal human and fundamental rights as well as freedoms, democracy and the rule of law.

Free trade and the prospect of a common market bring states together. That's what we in Europe experienced – on the way from the European Coal and Steel Community to today's European Union. Naturally, ASEAN and the EU have very different historical, political and social foundations and experiences. So I don't want to make too many comparisons. However, what ASEAN and the EU have in common is the will to engage in dialogue, cooperation and integration.

Finally, it's worthwhile for every country – for smaller just as much as larger partners – to take part in multilateral processes. One key experience in these processes is that larger states are expected to make bigger concessions, that transparency and regular dialogue can avert or at least reduce misunderstandings and conflicts. For participation in multilateral processes and agreements based on international law create precisely what is needed, namely transparency and predictability on which, ultimately, trust is based.

That can help to resolve disputes, for example the maritime territorial disputes in the region. In order to reach a viable solution here, I believe it's very important to use fora such as ASEAN and to overcome differences, for instance, also on the basis of the international law of the sea. I call upon all sides to seek confidence-building measures in order to prevent an incalculable escalation. This isn't a purely bilateral or regional issue. The sea and trading routes link Europe to this part of the world. Their security thus has a direct impact on us in Europe.

We also have shared interests with regard to stability in other regions. The geopolitical situation is currently very critical in some parts of the concerned about the situation in Syria and Iraq. Another crisis is the terrible disease Ebola, which has affected many parts of West Africa, is taking on an increasingly global dimension and can only be contained through international efforts. We talked about this in great detail at the G20 summit. We can't abandon these people, who have suffered so much – neither on humanitarian grounds nor in the belief that we're protecting our own vested interests – for globalisation has long since ceased to be solely an economic phenomenon. It has made us all neighbours. More and more countries are faced with the same challenges.

For Germany and Europe, it's important to know that Australia is a partner in the Asia-Pacific region which shares our values: universal human and fundamental rights as well as freedoms, democracy and the rule of law. Together we are engaged in international operations: in UN peacekeeping missions, in Afghanistan and against the IS terror in Iraq and Syria.

It's largely thanks to Australia's persistent efforts in the UN Security Council that humanitarian aid for those in need in Syria could be supplied without the consent of the Syrian regime. Australia also played a key role in advancing the efforts to determine how United Nations'

sanctions can be implemented more effectively. We coordinate closely with each other on all of these questions, as well as with our transatlantic partners. To this end, for example, the then Secretary of State Clinton and the then High Representative of the European Union Ashton agreed in 2012 to cooperate on foreign and security policy issues in the Asia-Pacific region.

We do all of this in the conviction that peace, freedom and stability are the basic prerequisites for cooperation based on partnership through which political, economic and social progress – which are in the interest of all – can be achieved. This applies, for example, to the efforts to promote free trade, open markets and the equal and competition-neutral treatment of home-grown and foreign companies.

Pooling our efforts is also the only way to advance climate protection. If climate change continues unchecked, then its disastrous consequences will be unstoppable – more storms, heatwaves and droughts will follow, sea levels will rise and there will be an increasing number of floods. Climate change knows no borders. It won't spare the islands in the Pacific. The entire international community is responsible for ensuring sustainable development.

In the European Union, we've agreed that by 2030 we will reduce our greenhouse emissions by at least 40 per cent compared to 1990 levels. We also want to increase the share of renewable energy in overall consumption to at least 27 per cent by 2030. With these targets we want to send a clear signal on international climate protection ahead of the UN Climate Conference due to be held in Paris in 2015. Our goal is an ambitious agreement that will be binding for all countries. Only if we work together can we limit global warming to 2 degrees celsius. All countries are therefore called upon to announce their national contributions to the global climate agreement by the end of the first quarter of 2015 at the latest. This is the only way we can prepare properly for the conference in Paris and achieve a substantial result there.

Ladies and gentlemen, the bonds which link Australia and Germany are diverse and strong. However, as we know that what is good can be improved upon, Prime Minister Abbott and I have decided to establish a bilateral advisory group which we hope will provide further impetus for our cooperation in the political, economic and social spheres. Australia and Germany thus feel much closer than a look at a world map would lead us to believe. Let's continue to use this closeness, let's continue to use our partnership, let's continue to use our close bonds for the benefit of our nations and peoples.

Thank you very much for your attention.

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ABOUT THE SPEAKER



Her excellency Dr Angela Merkel is Chancellor of the Federal Republic of Germany, a position she has held since 22 November 2005.

Dr Merkel entered politics in 1989 after the fall of the Berlin Wall. She has been the leader of her party - the Christian Democratic Union (CDU) since 2000, and in 2005 Dr Merkel became Germany's first female chancellor. She is also the first East German to hold this office.

Prior to entering politics, Dr Merkel worked as a research scientist, having been awarded a doctorate in physical chemistry in 1986.

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