

**"ASEAN Economic Integration and Social Cohesion: Progress and Perspectives"**

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"The Principle of Solidarity"

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Your Excellencies, Ladies and Gentlemen,

Thank you very much indeed for the invitation to address you and for giving me, a German politician who for the past 15 years represented his state and region in the European Parliament - by the way as a member of the Economic and Social Committee during that period – a chance to present to you my thoughts on the subject.

The European integration process could, in my view, provide food for thought for stronger cooperation amongst the ASEAN States.

With such an integration process we are not talking about years, but about decades.  
Ladies and Gentlemen,

Over 50 years ago, in 1957, the then head of the German government, Federal Chancellor Konrad Adenauer, signed the Treaties of Rome. This was the birth certificate of the European Union.

At the beginning of 1956 Chancellor Adenauer had addressed a directive to the members of his government summarising the following analyses and instructions, which I now quote:

"The present foreign affairs situation presents extraordinary dangers. In order to remove these and initiate a favourable development, decisive measures are needed." For this, we require above all a positive German attitude to European integration. If integration succeeds, we can, at the negotiations both on security as well as on the reunification (of Germany), put on the scales the weight of a united Europe as an important new criterion... In addition, the permanent structuring of our relationship with France is only possible through European integration... To carry that out, the following points must especially be observed.

1) Integration firstly amongst the Six (France, Italy, the Netherlands, Belgium, Luxembourg and Germany) is to be promoted by all possible methods...

2) In doing so, from the beginning and when at all possible, the creation of appropriate common institutions has to be striven for in order to realise firm ties between the Six in accordance with the great political aim.

3) The deliberations on the establishment of a common European economic area, a common European market, which have thus far been rather successful, must be pursued with insistence. In doing so, European institutions with decision-making powers must be created in order to ensure the functioning of this market and at the same time to promote further political development ». End of quotation.

Ladies and Gentlemen,

These guidelines on the European politics of that great European Konrad Adenauer were incorporated in the Treaties of Rome and contributed to a great extent to the fact that the unification of Europe in the last half century became an undeniable success story. The building of a community of peace, which became worldwide a model for the peaceful cohabitation of peoples and a magnet for millions – we have, as you know, 27 Member States at present - ,is the consequence of the great vision and courageous decisions of farsighted statesmen, who, as signatories of the Treaties of Rome, established a historic milestone.

Fifty years after the signing of the Treaties of Rome, we can affirm that the further political and socio-economic development of the European Economic Community into a European political union, the peaceful reunification of Germany and the indisputable success of the politics of liberty and peace are, above all, the fruits of hard work carried out in the institutions of the Community.

The ideas, impulses and initiatives, which in the course of fifty years have been introduced into the great task of European unification by many parliamentarians,

government ministers, academics and officials, constitute a dynamic energy without which a continuous further development of the Community would not have been possible. Today we have responsibilities in Asia and Europe. But often the value of the political activity is not visible in the media.

Ladies and Gentlemen,

Besides politicians it is especially the political institutions which make their valuable contributions. This is also true for the ASEAN integration process: People come and go, institutions remain.

From a European standpoint I would like to take the European Parliament as an example.

In the Treaties of Rome of 1957 you can read, and here I quote: "The European Parliament shall consist of representatives of the peoples of the States brought together in the Community". (End of quotation)

A great number of the Parliament's duties and functions can be characterised by the following key-points.

1).The function to represent and to articulate, that is the task of taking into account the requests and worries of the European citizen and introducing them into European politics.

2).The legislative function, that is the task of putting forward suggestions to solve problems and making them part of the law.

3).The function to check and control. This is especially important in the area of structural funds, where there is the task of optimising rationality and efficiency in European politics.

And

4).The integration function, namely the task of promoting a «binding link» and a cohesion of the European peoples and States, in addition to conceiving and realising further political and institutional development of the Community.

The process of European integration is not one of perpetual motion. It is not something that will carry on under its own momentum once it has been established. Fifty years of European Union, or better still, of European solidarity, have been marked by ever new setbacks and obstacles. Because the variety of Europe - the same goes for ASEAN - generates different interests, efficient methods and stable institutions are necessary to be able to solve problems.

Ladies and Gentlemen,

There is no general recipe for balancing those different interests and for formulating Community solutions. Sometimes the balancing requires carrying out several competing options. In other cases the balancing of interests is finally found by a synthesis of new elements. It is toughness and confidence, patience and perseverance which characterise the founders of the European Union.

Their realistic optimism was essential. At this point I might add what the great German poet Goethe had to say: "You can also build something beautiful from the stones which have been out in your path".

Immediately after the foundation of the European Community Konrad Adenauer made a very important declaration, which remains every bit as important in the present. He said, and I quote, "The European Union pursues only peaceful ends. It is directed against nobody. It is ready for cooperation with every state. Membership is open to all

European states...peaceful progress in cooperation with all is our aim".

The aim remains, ladies and gentlemen, to achieve by European integration a political and economical order that can guarantee to the people on the European continent lasting peace, liberty, prosperity and social security.

In this context, solidarity can also mean a common foreign and security policy. With the Lisbon Treaty, the EU Reform Treaty and the creation of the new post of a common High Representative for Foreign Affairs, the EU has managed to take an important step. This also applies to the common diplomatic service, the Brussels-based body for planning EU foreign politics.

Ladies and Gentlemen,

Another important and highly visible sign of solidarity is the EU's Regional Policy.

European Regional Policy puts into practice solidarity between the peoples of Europe. Strengthening economic, social and territorial cohesion by reducing developmental disparities between its regions is a fundamental objective of the EU and laid down in its Treaty. The financial means set aside to achieve this objective represent more than one third of the EU budget between 2007 and 2013. While concentrated on the poorer regions and helping them to catch up faster, cohesion policy investments have a significant impact on the competitiveness of all regions and on the living conditions of their inhabitants.

Today, 43% of the economic output and 75% of investments in research and innovation are concentrated on just 14% of the European territory, the so-called pentagon between London, Hamburg, Munich, Milan and Paris. Disparities between Europe's regions have significantly deepened with recent enlargements. The wealthiest member state, Luxembourg, is now seven times richer than the poorest

one, Romania. At the regional level, the difference is even more important. Such a pattern can only be observed in emerging economies like China and India while disparities in the US and Japan are much less significant.

Globalisation, climate change, population ageing, external immigration and the need for a sustainable energy supply are challenges for the European territory which transcend national, institutional or policy borders. Europe has to find common solutions to these challenges in partnership with national, regional and local levels. They impact directly on regional and local communities and they require that public and private partners work together and find practical and integrated solutions. The policy's added value extends beyond growth and jobs. Cohesion policy "levers in" and safeguards compliance with other Community policies – be it in the field of state aids, environment, transport, support for innovation or the information society. Last but not least, it improves and modernises public administrations, to enhance transparency and foster good governance.

It becomes visible in tens of thousands of projects realised by the EU and the Member States and regions together. Such projects may be just around the corner. Ladies and Gentlemen, in the course of the conference you will hear many more details on this.

The EU Cohesion Policy transforms the principle of solidarity in the EU into practice. The principle of solidarity is a basic principle anchored in the EC Treaty. The aim of the European Union is to strengthen the economic, social and territorial cohesion by reducing development differences between the regions which I have just described. It is true that investments under the cohesion policy benefit mainly the poorer regions. That means that certain strong EU States would finance projects in their neighbouring countries. However those net paying states, of which Germany is one, do this with the knowledge that these investments also result in noticeable positive effects for all regions and all citizens. Indeed, because of this solidarity principle, living conditions and the ability to compete in the whole European Union will be improved

Helping poorer European regions to catch up means, of course, that the richer ones have to pay more towards the EU budget than they receive back.

On the other hand, **solidarity** is not a one-way street. Modern infrastructure and production, sustainable use of resources and better education and training of people living in poorer regions is also for the benefit of the people and economies in richer countries.

With a view to the EU Internal Market, namely the entire EU economic area, this is very interesting, for example, for a strongly export-oriented country such as Germany.

Ladies and Gentlemen,

**Transport infrastructure is one of the most visible examples of what can be achieved with aid from the EU Structural and Cohesion Funds.**

Enhancing accessibility is of key importance to strengthening regional economies and achieving cohesion and competitiveness. The European Union's transport policy promotes **sustainable mobility** for people and goods, ensuring efficiency, safety and minimising the negative effects on the environment. There are a number of actions covering trans-European transport networks (TEN-T), air, road, rail, maritime and urban transport as well as inland waterways, multimodal transport, safety and state aid rules. The Cohesion Fund and the European Regional Development Fund (ERDF), in particular, have contributed significantly to modern transport infrastructure in the less-developed Member States and regions and will continue to do so in the



2007-13 period. About €76 billion (22.2% of the total allocation) will be spent on transport, with a priority for TEN-T projects, up from €38 billion (15% of the total) in 2000-2006. Investments will cover transport strategies at EU, national and regional levels that strike a balance between road, rail and sustainable transport modes. The links between cohesion and transport policy are translated into guidelines, which ensure the quality of the projects, and a number of priorities.

Ladies and Gentlemen,

Once again:

More than one-third of the EU budget is currently allocated to the financial instruments of EU cohesion policy: the European Regional Development Fund, the Cohesion Fund and the European Social Fund. These instruments will amount to a total of € 347.4 billion between 2007 and 2013, with about 82 % to be invested in the EU's poorest regions. The added value of EU cohesion policy is considerable.

Ladies and Gentlemen,

If one had asked Europeans 20 years ago what the years 1989 and 1992 would mean to them, they would have answered as follows: In 1989 the 200th anniversary of the French Revolution against the absolutist “Ancien regime” will be celebrated, and in the year 1992 we will celebrate the 500th anniversary of the discovery of America by Christopher Columbus. Today we would answer that 1989 was the year of the anti-socialist revolution in central, south-east and eastern Europe and the beginning of the European and German reunification in peace and freedom. 1992 was the year of the realisation of the Internal Market of the European Community.

In his treatise on the international aspects of German reunification, the German

political scientist Karl Kaiser writes: “The unification of Germany is to a great extent the successful result of the strategy of western European integration. The turning point of the years 1989 and 1990 would hardly have come about the way it did if European unification had not been so successful up to that date. After all, the EU had achieved a giant common market with a flourishing economy and a great power of attraction for Eastern Europe.

Ladies and Gentlemen,

It was especially the German Christian Democrats in the European Parliament who supported the initiation of the EU programmes for economic renewal in the framework of European solidarity.

A focal point of our efforts was to make East Germany benefit from the three Structural Funds of the EU.

1) The European Fund for Regional Development, which is to level the deficit in the area of basic infrastructure.

2) The European Social Fund, which promotes, by vocational retraining, the creation of new employment opportunities.

3) The Guarantee Fund for agriculture which is to make agrarian production more efficient.

More significant than economic assistance for integration was political acceptance of this difficult process through the solidarity of partner states in the EU.

This process produced a considerable attraction for the entire continent:

- Transfer of sovereignty in the west;
- Applications for accession in the north, east, south-east and south;
- A worldwide desire for privileged relationships with the European Union.

Indeed, Ladies and Gentlemen, success generates magnetic powers. Today the EU has 27 Member States.

But, Ladies and Gentlemen,

Even with this success as a background, one must from time to time examine one's policies and instruments, and if necessary reform them.

The EU Structural Policy, as agreed and decided for the period from 2007 to 2013 is, in my view, a reason for such an examination.

The present Structural Policy risks losing itself in details. Political aims such as environment protection and equal opportunities for men and women are now to be promoted along with the classical aims.

We are talking about financial means, for the said period, of € 346 billion! But almost 70% of those sums are not used to support Member States in need, but are redistributed amongst rich or poor Member States. The result of this is, for instance, that Italy pays as much money for the EU Structural Policy as it receives from it.

What I call for is that we must, without any loss in solidarity, strengthen subsidiarity in EU Structural Policy again. This means that the Member States, at an increased rate and with their own financial means, should carry on regional structural policy and should continue to provide means for needy States.

An example:

In 2007, Germany paid about € 7.3 billion for EU Structural Policy and received about € 4.3 billion.

I think, according to a new model (based on the above figures), it should be agreed as follows: Germany continues to provide its “net payment” of € 3 billion for needy Member States and uses the € 4.3 billion which it would get back directly for its national structural policy.

Even as a European politician I say that a renationalisation of structural policy would contribute to determining priorities more precisely and to promoting efficiency.

Ladies and Gentlemen,

I have mentioned this example because, with a view to other integration processes – for instance concerning the ASEAN States –, a number of unsuccessful developments could be avoided having in mind the experiences of Europe.

I am sure that it is also for these reasons that the Konrad-Adenauer-Foundation, with this and other events, wishes to promote a concrete dialogue.

Ladies and Gentlemen,

There remains for us Europeans a constant challenge to examine the following:  
How much Europe and how much national state?

I am more or less convinced that even in a European Union with profound integration, the national state will have a future. The national state is an anchor for the citizen.

But there is no alternative to the European Union where the national state is not capable of acting its part any more by itself.

We Europeans know how important, in global competition, a Common Economic Area, an Internal Market and a common currency are. We know how important for this Common Economic Area a Structural Policy characterized by solidarity is. We know that only with a Common Foreign and Security Policy can we be a partner and an active player regarding Asia and America. And we know that without our institutions like the European Parliament, the European Council, the European Commission, we cannot deal with crises such as the global financial crisis or international terrorism.

Only with a political union which is capable of acting its part and which is characterized by solidarity can this be done.

Bearing this in mind, I wish your countries, the ASEAN States, a bright future.