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Speech by Federal President Frank-Walter Steinmeier at the opening of the Kultaranta Talks in Kultaranta, Finland on 16 June 2019

It is wonderful to be back in Finland! My wife and I have great memories of our state visit to Finland last September that took us to Helsinki and Oulu. But we were not able to see all the beauty of your country. Thank you, Sauli, for bringing us to Kultaranta, this magnificent place, and on one of the longest nights of the year.

Much has changed since we sat down for our consultations last September. Finland is the world champion in ice hockey – hyvä Suomi!

Finland has a new government and will take over the EU Presidency in two weeks' time.

And we Europeans went to the polls on May 26 to elect a new European Parliament. This is a good moment to reflect on Europe's challenges and the major tasks facing our continent and our Union.

Finland is certainly an inspiring place to reflect on these issues. I was 19 years old and doing my military service in Goslar, close to the inner-German border – the most heavily militarised area in the world at the time – when the Final Act of the Conference on Security and Cooperation in Europe was signed in Helsinki. I remember the TV images: Gerald Ford and Leonid Brezhnev, Henry Kissinger and Andrei Gromyko, Helmut Schmidt and Erich Honecker. It was – as we know with the benefit of hindsight – one of those pivotal moments in history that leave their mark on an entire generation. The wisdom and ingenuity of a great Finn, Urho Kekkonen, was indispensable to make it happen. He pursued the interests of his own country, Finland, but he did so with a broad vision and a deep understanding that fostered peace and security on the entire European continent and beyond.

When we celebrate the Helsinki Final Act as a milestone in history we sometimes forget how controversial it was at the time. To many, it seemed as if the Soviet Union had achieved its most important goal: the ratification of its dominance and occupation of Eastern and Central

Europe. It took time for the seeds planted in the so-called "third basket" on human rights and fundamental freedoms to come to fruition and to help bring about the fall of the Iron Curtain and the advent of democracy and the rule of law all over Europe.

This is worth remembering because the statesmen of those days were anything but certain about the effects of the Final Act. Yes, it provided a glimpse of a better future. But confrontation and systemic rivalry continued for many years. It was only after the miraculously peaceful revolutions of 1989 that it all suddenly seemed so logical – and then to many even inevitable. The Charter of Paris of 1990 enshrined this optimism of a Europe whole and free, a Europe based on peaceful cooperation, the rule of law and ever deeper integration.

Today, the optimism of 1989 and of the internet pioneers has given way to a pervasive pessimism. Strongmen seem to have taken over and to be dominating the agenda. Democracy, human rights and international cooperation seem to be in retreat.

It is true that our societies and political systems are under pressure. They are undergoing rapid and fundamental changes. The causes are manifold. Some of them local, others are rooted in broader global trends and technological advances. But just as I was sceptical of the optimism of the so-called "unipolar moment", I do not share today's pessimism. Linear thinking is a very human temptation - but it is aa illusion when it comes to history and politics. The future is ours to shape. And just as previous generations of politicians, from Willy Brandt to Urho Kekkonen, worked hard to ensure freedom, prosperity and peace under adverse circumstances, now we have to do our best, not by indulging in simple and often misleading analogies with the past, but rather by putting our minds to work on the new and very complex situation in which Europe finds itself today. That was the spirit in which we tried to make use of the German OSCE Chairmanship of 2016 and in which Finland was acting during its presidency of the Arctic Council. And that is the spirit we need even more today.

I will not attempt to analyse in any detail the many changes that require us to rethink our policy approaches. I will only try to outline two of the major challenges.

Firstly, consolidating our Union. It does not require rocket science to conclude that in times of increasing uncertainty and rising new powers, violent crises and new confrontation, we Europeans are well advised to strengthen our home base. We have to improve our internal cohesion and to expand our capacity and instruments for independent and strategic action. After years of attending the Foreign Affairs Council and visiting Member States as Foreign Minister and now as President, I am under no illusion about the difficulties. There are plenty of policy differences among the Member States. There are also deeper divides that are even more difficult to bridge. And there is still the

nightmare of Brexit and with it the loss of a capable, important Member State, particularly as regards foreign and security policy issues.

And yet, I remain reasonably optimistic. In a Joint Call that President Niinistö and I launched with 19 other Heads of State before the European elections – and I quote: "We all agree that European integration and unity is essential and that we want to continue Europe as a Union. Only a strong community will be able to face up to the global challenges of our time."

This is the basis. And I believe – against the sceptics and the pessimism of the day – it is still intact. The rationale for Europe's Union is as strong as ever.

Many pressing decisions need to be made now on the new leadership of the institutions and the new team in Brussels. Then on the major policy issues confronting us, namely climate change, migration and digital transformation. I am glad that in two weeks Prime Minister Antti Rinne and his team will play a major role during the Finnish Presidency in the effort to translate our citizens' votes into a fresh and courageous start for the European project and its institutions.

The second challenge is, in my view, even more demanding on a conceptual level. The world's political and economic center of gravity is moving away from Europe. The pillars of world order are being challenged by new rivalries. Europe has to reassess some of its own fundamental assumptions and to rethink its relations with the world's major powers.

Ladies and gentlemen,

To start with the United States, it tends to be forgotten that Atlanticism was hardly a characteristic throughout the 19th century when the US still resented feudal Europe. Today's strong transatlantic ties have been shaped by two world wars. Atlanticism was an American creation that saved and protected Europe in unprecedented circumstances. In the currently unfolding global competition, with the US and China as main drivers, much will depend on Europe to keep Atlanticism alive in the vital interest of both Europe and the United States, no matter how alienating developments in parts of the US may appear. Atlanticism will require political wisdom on both sides, irrespective of moments of discord and even rivalry. This poses an immense challenge to prudent and responsible political leadership. And yet at the same time, Europe can only play this part credibly by becoming a more active player itself. We have to strengthen our own European capabilities. We also have to develop a more active common foreign policy approach that goes beyond sanctions and blockades. An approach that invests more in developing partnerships with regions

critical to our interests – such as states in Africa or the states of Central Asia, where Uzbekistan is currently a particularly promising example that change is possible.

Then Russia: Our hopes - including my own - of a wide-ranging, increasingly integrated partnership with Russia have not materialised. Analysts and historians have ample material to study the reasons for this. We live in a period of tensions, sanctions and mutual recriminations. Although the causes of specific conflicts are by no means equivalent, there is deep disappointment on both sides. Some fear a return to what they call "business as usual". I do not share this concern. I do not believe there will be anything like "business as usual" with Russia going forward. It is something new: Moscow is looking for a new conceptual frame for its relationship with Europe. Many signs point to a more inward-looking Russia. A Russia that looks less to Europe as a reference and source of modernisation for its own future than at almost any point over the last three centuries. A more sober relationship, one less fraught with expectations of transformation, may not be a bad alternative. But a colder, more distant relationship is not without risks either. And the continuing conflict in eastern Ukraine remains a heavy burden, as is the annexation of Crimea. What should Europe's own new conceptual approach to Russia be? We should not condone Russia's shrinking space for the free expression of its civil society. The recent arrest and release of journalist Ivan Golunov again demonstrated the need for and the value of close attention and practical solidarity. But we should be more aware of the limits of our own capabilities to change Russia - in the interest of a more functional relationship. I realize that this will be a controversial process of rethinking. But we Europeans will not be able to escape it, and I know that Finland is at the forefront of this debate also today.

Finally, China: I know that Finnair is one of the most active European airlines in the China business. It takes a globe, not a map, to understand why: Helsinki is much closer to Beijing than Berlin. And yet we all have to acknowledge that China is becoming both closer to us and more distant from us at the same time. China is a partner in many areas and we should continue to invest in this functional part of our relationship, in business, cultural and political cooperation. China is Germany's largest trading partner today. But China is also increasingly a competitor and in some areas, as the European Commission recently put it, a "systemic rival". How do we want this relationship to develop within the dynamics between the US, China, Russia, and Europe? Are we able to maintain our cohesion as the European Union in the face of a developing global high-tech confrontation or against the tempting infrastructure investment promises China offers a 17+1 format dominated by its own interests?

The way we think about future relations with the great powers will necessarily also shape the internal dynamics of our efforts to

strengthen the European Union. It will inform our initiatives to prevent major conflicts and to promote a rules-based international order. It will shape our policies across issues such as climate change and across regions like the High North and the Arctic, where Finland and others face a rapidly changing environment. But it will also play a role in our difficult and crisis-ridden southern neighbourhood in the Middle East and the Maghreb. Europe's new security environment is not only a consequence of disruptive decisions of the current US administration. It follows, that is my analysis, from the tectonic shifts in economic, political and military power in today's world.

There are plenty of challenges. W should focus on keeping our own house in order. That is the best way to maintain and to regain confidence in the power of our own example.

Let me stop here and turn this into what the title of the event promises: the "Kultaranta Talks".

Thank you.