



Speech by Federal Chancellor Dr Angela Merkel at the presentation of the Carlos V European Award at the Royal Monastery of Yuste, Spain, on 14 October 2021

Thursday, 14 October 2021 in Yuste

Your Majesty,
Prime Minister, Pedro,
President of the Regional Government of Extremadura,
Excellencies,
Prizewinners:
Esteemed members of the European and Ibero-American Academy of
Yuste Foundation,
Honoured guests,

It is an exceptional honour for me to be receiving the Carlos V European Award, and I would like to thank you from the bottom of my heart for this. This award is something very special, and this place is also very special, of course. The Royal Monastery of Yuste calls to mind the European Award's namesake. It was here that Charles V spent the final years of his life. He was able to look back on a long reign over many parts of Europe. As the daughter of a Protestant pastor – Charles V had a great deal to do with the Reformation – allow me to say on a personal note that I'm particularly moved to be here given the fact that, in the final years of his life, the former Emperor had a hard time with the fact that the Reformation had spread. Centuries of terrible wars ensued until, finally, after the crime against

humanity that was the Shoa, committed by Germany under National Socialism and after the Second World War had been unleashed, it was, at long last, possible to create a Europe of peace.

Europe as a community of peace was an objective that took concrete shape for the first time with the signing of the Treaties of Rome in 1957. A policy limited to national self-interest was followed by a collective concept of integration and cooperation. The forerunners of European integration were concerned with jointly safeguarding common interests and resolving conflicts of interest in an orderly manner, and in so doing they wrote the opening chapter of a unique success story.

But do we still perceive this story today – also in the light of current differences – as the success that it is? In other words, the acceptance of Europe seems to suffer, in a way, from its success, as most people probably consider the promise of peace to have been fulfilled. Yet we must never forget that 64 years since the Treaties of Rome are but a heartbeat in the course of history after all. Peace and freedom are anything but to be taken for granted. Peace and freedom must be protected and defended. In Europe, too, we have no legal claim to lasting peace and freedom, but must always be aware that it is the idea of European integration that affords us peace and freedom and thus a life in prosperity and security.

At the same time, we must not be under any illusions, because even today we are confronted time and again with challenges against and attacks on our democracy and our liberal order – by extremism and terrorism, by racism, antisemitism and every form of hatred against specific groups. We must counter this with all the determination we can muster.

I therefore perceived the Nobel Peace Prize, which the European Union received in 2012, above all to be a lasting commitment both to protect peace within Europe and our liberal order and to stand up for peace and human rights externally, in our neighbourhood and in the world.

In order for these words to be followed up with genuine action, we must bear in mind that Europe can only be as strong as it is united, and it can only be as united as it is bound together by common values. United internally and strong externally – that is our guiding principle for togetherness in the European Union. The prerequisites for this are close cohesion, trust and respect.

Recent decades are grounds to be optimistic, because the European Union has always held together when it mattered. I believe that it will continue to do so if, beyond politics, we maintain such manifold close and friendly relations in business, science, culture and society as our two countries, Spain and Germany. We are also working closely together on European policy, because we are united by an important goal, namely safeguarding and strengthening European cohesion. I would like to express my special thanks to my counterpart for this. It is this solidarity between our two countries and between all countries in the European Union that Europe will need in the future, despite all the differences between countries and regions. This is the basis for the ability and willingness to compromise and therefore for Europe's ability to act.

Finding compromises is easy to say, but it's often a long and drawn-out process in practice. – Our meetings, Pedro, often go on well past midnight. – That's already the case within our own countries; and you can imagine how difficult this is in a Union of 27 member states. So we must always be ready to weigh up a wide variety of arguments – with an awareness that diversity of knowledge and experience is an asset, a valuable resource to be used for the benefit of all.

Consider, for example, the COVID 19 pandemic – the willingness to take in patients from other countries or to help each other out with protective equipment, medicines and vaccines. At the beginning of the pandemic, however, we saw – and I say this self-critically – how quickly we can revert to national patterns of thinking. We concentrated too much on fighting the pandemic in our own countries. We sought refuge in isolation. Families were suddenly separated. Cross-border commuters could no longer get to their

places of work. Deliveries of goods were cancelled. This was a difficult test for our Europe without borders.

But we have learned to deal with the new challenge. We established new coordination mechanisms and restored European freedoms as far as the pandemic allowed. We thus accomplished a great deal together. In Europe, we were able to develop effective vaccines in record time. Joint procurement of vaccines also played a significant role in progress made in the vaccination campaigns in EU member states.

As a result of increasing protection against infection, the economy is also on the upswing again. This is also evidenced by the Next Generation EU recovery instrument, which is unique in its dimension. The recovery plan aims, in particular, to align economic policy measures for recovery with our climate targets and to drive forward digital innovations. Mr President, you just said as much for your region, namely that we must not emerge from the pandemic in the same way as we entered it; instead, we must modernise.

Considering economy and ecology to be two sides of the same coin – this is precisely the aim behind the European Commission’s Green Deal, which envisages climate neutrality for Europe, which will not remain innovative and competitive despite this, but precisely because of this. I predict that it will take a lot of hard work yet to adopt this Green Deal. I will no longer partake in these negotiations then, but I’ll be watching closely to see how far the ability to compromise goes.

Our European goal of climate neutrality by 2050 is an ambitious one because it requires a fundamental change in the way we live, do business, work, consume, build and be mobile. It goes without saying that this transformation will require us to make an effort. – As I drove from my hotel in Madrid to the airport this morning, past all the cars, most of which are still gasoline-powered, I thought to myself that, if I were to drive past here in 30 years or even much sooner, all of these cars would actually have to be equipped with new drive technologies. – This is true for all areas of the economy.

But we should see the opportunities of this transformation process; and I believe they far outweigh the risks – not only because it opens up new market opportunities, new technologies, new employment opportunities, but also in terms of costs, with far too much talk about the costs of climate protection and far too little about the costs of failing to protect the climate. For example, we had a flood in Germany this summer. We spent 30 billion euro in a short space of time to combat the flood damage, to help people. Two years ago, we decided to phase out lignite, which will cost a total of 40 billion euro by 2038. We said at the time that this was a huge sum of money; how were we going to raise it by 2038? But when the floods hit, within a few days funding totalling 30 billion euro had to be committed to deal with this. This shows that the costs incurred by doing nothing are also very, very high.

In a nutshell, major challenges can only be overcome if we all work together, and opportunities can only be identified and exploited jointly, as is the case, for example, with the important projects of common European interest and as is also the case with the opportunities presented by the digital transformation.

The question of Europe's digital sovereignty is of central economic importance – especially in the area of artificial intelligence, which is fundamentally changing the way we live and work. Becoming more digitally sovereign in no way means restricting cooperation with our partners; quite the opposite, by developing digital skills, we can become an even more interesting economic partner for many in the world. This also applies with a view to other key technologies such as hydrogen and quantum technologies.

Investments are necessary in order to implement innovations, of course. This insight is not new. At the beginning of the century, the European Union had already set itself the goal of increasing annual spending on research and development in each member state to three percent of gross domestic product. We have to admit that, although we have come closer to this goal, we have unfortunately still not reached it. This must change.

Being at the forefront of international innovation competition is one thing. Dealing responsibly with new technological opportunities is another. That means that we have to think carefully about how we want to use these opportunities and where we have to draw lines in the sand, for example for ethical reasons. After all, in both the analogue and digital worlds, the focus must always be on people and their inviolable dignity.

A Europe that aspires to become more innovative, that aspires to become more sovereign and self-determined both in terms of its values and its technological skills, must also become more capable of action than it is now. First and foremost, this means handling the scarce resources of time and money with care. For example, we must be able to make and implement joint decisions more quickly than has been the case in the past, not only but especially in crises in the European Union. We must also have the necessary financial freedom to act decisively and also in a spirit of solidarity. That's why we must continue to safeguard sound public finances – in other words, we must make preparations in good times to create room for manoeuvre that will also enable us to overcome future crises.

A sovereign and innovative Europe that is capable of action – that's what we need so that we can stand up for our values and interests in the world. After all, our foundation of values is the basis of our credibility so that we can exert genuine influence vis à vis other countries. Our values are a source of attraction and part of our appeal in the world. The European Union stands for the fact that cooperation, respect and tolerance give rise to peace, freedom and prosperity.

At a time when multilateralism is coming under pressure and old conflicts are at risk of re emerging, this message is more important than ever. We must also take into account the fact that Europe's share of the world's population and economic productivity is shrinking, and that our role in the world is also changing. How we deal, for example, with the rise of China as an economic, political and military power and how we deal with increased responsibility for our own security in Europe and for stability in our

neighbouring regions depends in large part on whether Europe actually speaks with one voice – or not.

What happens when Europe doesn't speak with one voice, or does so only insufficiently, is something we have seen not least on the issue of migration. This requires a common, European response – both in the interest of people seeking refuge and in the interest of Europe. That's why we must not rest until we achieve a breakthrough in this regard. I know that Spain is working on this just as intensively but that we have not yet reached our goal. Europe is only as strong as it is united. This applies to the migration issue, and it also applies to other issues – such as climate protection and foreign and security policy. It applies to all efforts to shape globalisation in line with our values and interests.

We should be under no illusions, however. Forces driving us apart have been at work in the European Union for some time now. They emerge when the cement of common values becomes fragile, when expectations of the European Union and its institutions are not met, when social developments occur at different speeds and when economic and social differences become too great. If short- or medium-term national interests then take precedence over the benefits of the common European project and its legal basis, things will get out of balance.

There is only one effective remedy against these forces of division – ensuring that we remain in a sincere dialogue with one another and emphasising our common values. After all, it is our values that unite us and also distinguish us from certain other powers in the world. It is respect for human dignity, freedom and democracy, equality and the rule of law, and respect for human rights and the rights of minorities that are firmly enshrined in our European legislative framework. Promoting these, I have learned, is also an objective of the European Academy of Yuste Foundation. This is great and is European integration in action.

Your Majesty, ladies and gentlemen, we cannot make decisions about the nature and future of the European Union in abstract terms. The European

Union develops in the here and now. And as painful as they may be, many crises always also function – at least in part – as a catalyst, because they force us to increase our ability to act and, despite all the hardships, are also an opportunity to hone and improve our approach. The process of European integration is characterised by constant development. This doesn't always happen in great leaps and bounds, nor does it always take place smoothly and consistently. Acting European all too often means having staying power and mediating. That is and remains important.

For the future, however, we must also become more forward-looking, improve our coordination and make Europe even more independent. This is not about isolation, but about defining our interests, acting strategically on the basis of our values and for our common goals – in short, this is about greater European sovereignty.

It is also for this reason that I'm very much looking forward to the work of future scholarship holders on the issue that is of overriding importance for us all. "United for the better: safeguarding and strengthening Europe" – that is the heading here.

I firmly believe that Europe is a godsend for us all – a godsend that it is our privilege but also our duty to protect and shape. We should be conscious of this duty each and every day.

Thank you very much.

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