

GERMAN EU-PRESIDENCY 2020 #EU2020DE

CHRISTIAN WENNING INTERVIEWS: GÜNTHER H. OETTINGER

ON

- The EU's reflection through Corona
- "Man on the Moon"-on-ice moment in climate policy
- Car industry and zero-emission fakes
- Possibilities of Big Data
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- Breakthrough towards a reasonable MFF



Günther H. Oettinger is a former member of the European Commission for Energy, Digital Economy, Budget and Human Resources and former Prime Minister of Baden-Württemberg

Christian Wenning, founder of Erste Lesung, interviewed Günther Oettinger in a phone call on 30 June 2020.

Christian Wenning #THEÜBERSICHT has many readers from Norway and the US. Both countries moved away from internationalism towards a rather national approach. They are skeptically "viewing from the walls" what the EU will look like after the Presidency. Do you think the EU will follow suit and change its values on its international positioning?

GHO Europe's been losing weight for years. Both economically and politically. To avoid being crushed by the sandwich that is the US and China, the European Union must be strengthened.

In order to protect our values and beliefs, as well as secure our well-being, we need a much stronger Union than we currently have. This is widely accepted.

While the coronavirus is terrible, it's allowed for reflection. It has showed many politicians and economists that we, as a unified European team, are better prepared for the problems we encounter than we would be alone.

CW As former Prime Minister of Baden-Württemberg and experienced EU-Commissioner in the very disciplines needed to manage the Covid-crisis: digitization, energy policy, and budgetary policy, leading and keeping the calm - you must struggle to sit on the sidelines "viewing from the wall" and simply watch.

Would you say, this can be done much better than politicians are currently doing?

GHO That question will be answered in the next months, through the seven-year budget framework, the "Multiannual Financial Framework," and through the recovery program "Next Generation." This budget framework will reveal whether we have the power to take on financial hurdles together and in solidarity, or if national pride wins out. I'm optimistic that it can succeed, despite limited negotiation possibilities through social distancing measures. The money will stop flowing soon, and that is why we need to determine right now whether Europe has the tools to get out of this crisis.

CW As an expert on frugality and budgetary planning: Do you look at the current MFF outline apprehensively or rather optimistically?

GHO If you'll remember, I started preparing the MFF beginning of 2017, submitted it May 2018, and continued to revise it afterwards.

It really affected me that so many, so-called 'net-contributors' didn't want to accept or recognize the added value of



a European assistance program. By the way, Germany also belongs to this group.

Now, I believe, the circumstances have changed and the readiness for common financing is bigger and Germany is in a responsible position to reach a breakthrough towards a reasonable MFF for investments in our future.

CW If negotiating the MFF now or the financial crisis then – for me it appears to be an ever-cyclical scheme in the EU: First certain states fight hard to reach an agreement, praise the results, then a few years later the story ends in a collective “you could have done more.”

How can we break this endless cycle of blame after this crisis and ensure that in our national and international consciousness something beyond this same old scheme will endure?

GHO By bringing added value. Take for example defense operations, research, cross border infrastructure like train tracks or roads, the Energy Union, or the transformation of the digital market.

There, you have huge potential for economies of scale, but only if you get rid of national restrictions and are able to use the size of the European market: 440 million people, consumers, users, investors, etc.

I think this added value can be proven, but then I’m also expecting an agreement that the added value provided by the corresponding European development programs can be realized.

CW This means there must be an active effort that goes beyond the expected, just

like the German Federal Cabinet recently surprised us with its stimulus package. The same thing has to happen on a European

level, so, for example, the Italians think: “Wow, the Germans really did put in more effort.”

Is it going in this direction? Do you have a specific wish for this development?

GHO Exactly. For this situation to occur, Germany needs to be ready to invest more on a European level. And vice versa, Italian politicians need to be ready to introduce a reform agenda like Germany did with Chancellor Gerhard Schröder and like it happened in some other countries. Money from the EU alone will not suffice.

CW Like you indicated earlier, we have to act beyond just ourselves. But regarding the EU Green Deal as „Europe’s Man on the Moon Moment,” your colleague Manfred Weber MEP said now it might be best to put this project on ice to avoid a “blind flight” during the management of the crisis.

How do you see it? Is climate policy a major obstacle to pursuing the project of recovering EU’s economy, or is it precisely the correct remedy for the current situation?

GHO I see environmental protection as an excellent and important matter that needs to be met with a European approach. However, I look at the current debate in Brussels over the Green Deal with great concern.

The reference year is 1990. All investments made in this year, both by EU-member states, but also (at that time) non-EU members set the 100% bar. From that starting point, today in 2020, we’re currently at minus 23 percent, and are investing 20 percent in relation to emissions reports from 1990. So, I’ll repeat: It’s been 30 years, and in those years we’ve achieved an emissions rate of minus 54 percent. A further ten years are ahead of us, and we want to reduce to 60%. That means, a doubling, even tripling of the rate of reduction.

Now comes the debate in Brussels where in the EU Parliament some are even suggesting a reduction of 65 percent. I see this as not feasible, and it is a danger to the European industry. It doesn’t make sense, if we’re not producing steel, aluminum, copper, and other precious metals, but also need them and actively use them.

Steel is used for windmills, bridge plating, stabilizing buildings. However, if steel is no longer produced in Europe because the requirements are too strict, Europe will

be buying Chinese, Indian and Russian steel. There, steel is produced in factories that are even less environmentally friendly than ours are now.

This is called ‘carbon leakage,’ we meet

our own carbon emission goals, but it is still a net loss for the environment, because the steel comes from ‘worse’ factories, and it needs to be internationally shipped. We would have cleansed our consciousness but actually caused harm to the climate elsewhere. Meanwhile, in Europe, this directly takes away jobs and tax revenue, and emissions are still being released. I strongly encourage those advocating for

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stricter climate policies in Brussels to consider the global climate in this situation.

CW Talking about consciousness: Isn't that what it's all about? To tell future generations that we did our best at home even if we didn't quite achieve it everywhere?

GHO The EU produces 7% of the world's CO2. Certain countries are still building new coal factories even today, meanwhile in the EU we're shutting them down. If we can't convince these countries to follow the same path as we do, going it alone does nothing, and even has a harmful effect on the environment.

All emotions that you can have about environmental protection, I have them too, but cool-headedness and rational thinking are what we need here.

CW On CO2 emissions, particularly on the topic of cars, we're in a bit of a special situation here in Germany. You drive a Mercedes, I'm currently thinking about getting a car, but not thinking Daimler because there is no hybrid solution available now for long-term leasing. Is that my fault in choosing? Is it Daimler's fault? Is there anything positive at all the German car industry is doing today, that I, as an average citizen, will not be aware of until tomorrow?

GHO Nothing has changed, they're still producing magnificent cars – from active safety measures to design, comfort, to a technical standpoint, all the way to equipment that just raises the overall enjoyability of the car.

But, this three-fold change, from battery-powered driving, to partially autonomous, and eventually completely autonomous driving, to digitization so that your car is essentially a smartphone on wheels, this three-fold development is something

that in 130 years of cars the world has never seen.

Yes, in terms of battery-powered driving Germany is not leading the world. To date, battery technology has not really convinced me. Keep in mind that while electric cars might produce no emissions themselves, the electricity they use to power the battery comes from somewhere: It's very likely to come from a coal plant, a nuclear plant, gas turbines.

Using renewable energy to power these cars is a little problematic: At night there's no solar power, and when it's calm you can't use wind power. This push to rely on battery-powered propulsion is sadly also making its way through the European Union while "zero emissions" using battery-powered cars is simple false. I believe in technological openness, as for fuel cells there might be an even bigger future.

CW We live in a time when Angela Merkel and other European leaders are focusing on science-based policy. Isn't it strange that, precisely on the topic of environmental protection, despite all scientific basis, industrial policy is driven by emotions rather than science?

GHO I have not yet seen an all-encompassing European industrial policy at all. I think we need to decide whether industry adds value to Europe. 35% of Germany's income comes from the industrial sector. The British have almost completely gotten rid of their industry, in France the industrial sector has been significantly cut back.

I'm happy that countries like Slovakia, Czech Republic, Croatia, Poland, Hungary place importance on industry. Through Corona, we can strengthen our industrial

sovereignty and autonomy, and prevent further pollution from countries like China.

CW Talking about sovereignty which is also a buzz word for digitization: Before Corona, words like digital sovereignty, digital identities, content authenticity, digital administration, were particularly frightening concepts. Now, it seems to be the solution out of Corona. Do you see a shift in values here and are those concerned about those developments, e.g. for data privacy and civil rights reasons, now seen as "the old white men" of digitization?

GHO There is a balance between data users and data protectors. I see the GDPR as positive in principle, especially for applying uniform regulations across all of Europe. But I also see data protection, especially in Germany, going too far. Especially if there's more stipulations to be added on. This makes certain "big data" opportunities not possible for us. We really

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need to consider what regulation does to the data industry in Europe, what is possible under EU law and what is possible in the US or other countries.

CW Digital sovereignty is a particularly interesting topic. The potential for the common market is huge. Do you see there being a breakthrough anytime soon? Or will this be a matter to be debated for years?

GHO There is an increasing readiness for Europeanizing digital policy, to adopt standards and regulations, even to take over deregulation. We are halfway there and for the remaining half in front of us I count on EU-Commissioner Thierry Breton who is an experienced manager from the digital industry as the former Atos CEO.



CW The success of the German Council Presidency is hard to measure for non-insiders. What did you, in your time, consider to be a “successful” Council Presidency, and what maybe even surprised you?

“Seeing how Germany performs could also be an indication of how Macron and his government will do when they have the Council presidency in 1.5 years, when there might be changes to the Treaty on the agenda.”

GHO I thought the German Council Presidency 2007 was successful. Angela Merkel had her breakthrough as political authority in the EU arena. Now, I’ve experienced 20 Council presidencies. It was always surprising, and enjoyable for me, that even really

small countries, like Latvia or Cyprus, or Malta, were able to get a lot out of the Council presidency to further develop the EU. Seeing how Germany performs could also be an indication of how Macron and his government will do when they have the Council presidency in 1.5 years, when there might be changes to the Treaty on the agenda.

CW Now for a personal question, whether politics or something else, will you seek

an active role in the public sphere again or will you rather refrain from, for example, tablesoccering at the Rue Belliard in Brussels?

GHO I’m always going to be a political person. I’m still going to be invited to party congresses, chambers of commerce, etc.

Therefore, in the next few years I’ll regularly be in Brussels and Berlin to make sure I stay in the loop and knowledgeable. But I don’t have any intent to actively run for a specific office. I wanted to make sure I’m not leaving politics with negative connotations. I’m doing well, but my heart and soul will always be in politics.

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