

## **Helsinki 2.0 instead of war cries**

The threat of war hangs over Europe. In many news outlets, but also among politicians, a Russian invasion of Ukraine is literally being precipitated in speeches and statements, as if the “hawks” on all sides have only been waiting for this opportunity for years. Criticism of the German government, which is reluctant to fan the flames by supplying weapons, is fuelling the fire. Fortunately, in Ukraine itself, efforts are being made to ease the situation by toning down the war cries somewhat. President Volodymyr Zelensky himself warned against panic recently. Right now, the danger of a massive confrontation between Russia and NATO is undoubtedly greater than it has been in the last 30 years. A war in Eastern Europe, apart from causing terrible human suffering, would set our entire continent and with it the European economy back decades. That is why it is in everyone’s interest to de-escalate and keep a level head. Flexing one’s military muscle in Eastern Europe is not conducive to reaching this goal.

The business community can also play a role in de-escalation. Businesspeople cannot replace politicians, but they can become active in their networks. The German Eastern Business Association celebrates its 70th birthday this year. Beyond our economic role, we have always seen ourselves as “bridge builders”, contributing to political and social understanding and reconciliation with a region where Germany committed unimaginable atrocities in the 20th century. The results of our efforts are close economic relations with Ukraine and Russia that have matured over decades. Reliable business partners have become friends. German companies are responsible for around 280,000 employees in Russia alone. Through their work, they lay the foundation for trust and mutual recognition every day at all levels – from managers to workers in factories and offices. This is the long-standing, hard-earned foundation for peaceful and successful cooperation in the future. People, not states, build trust.

Those who call economic relations with Russia into question should instead consider what opportunities for dialogue and influence remain for Germany without economic relations with Russia. Burning this bridge altogether will not make our world a safer place. The majority of German citizens would also like to see more cooperation between the EU and Russia. According to a recent Forsa survey commissioned by the German Eastern Business Association, two out of three Germans (62 per cent) are in favour of closer relations between the EU and Russia.

Moreover, in the heated political and media discussions regarding the possible effects of the conflict on the German economy, Russia’s economic importance is often downplayed and reduced to the volume of trade. However, foreign trade is only a part of our economic relations: Russia is the largest market in our immediate vicinity and significant investments have been made there. Due to the country’s importance, German companies have already established local and regional value chains to serve customer needs not only in Russia but also in other markets in the Eurasian Economic Union and the rest of Central Asia, which can be easily accessed via Russia.

Not to mention that a large part of oil and natural gas imports come from Russia – namely, over 40 per cent. Over the last few months, we have clearly seen that Europe’s green transition

depends on natural gas. We therefore need more rather than less gas imports from Russia in the medium term. Both Nord Stream 2 and the Ukrainian gas transmission system are instrumental to the secure supply of natural gas and, prospectively, hydrogen to Europe until fossil fuels are finally phased out. Federal Minister for Economic Affairs Robert Habeck recently highlighted Russia's potential for hydrogen and wind power. In Moscow, Minister for Foreign Affairs Annalena Baerbock highlighted the necessity of dialogue and cooperation with Russia in the concerted effort to prevent climate change.

New economic sanctions, whether targeting Nord Stream 2 or the Russian financial sector, on the other hand, will be very expensive for both sides. Tit-for-tat preemptive actions create extreme uncertainty for companies, strengthen China as a competitor, and also bring Russia and China even closer together in terms of security policy. Global political conflicts and the pandemic have already given fresh impetus to the dangerous trend of seeing globalisation and free trade as a danger rather than an opportunity. Sanctions are being used as an instrument of foreign policy and geopolitics more and more often. After 30 years of hyper-globalisation, established value chains are threatening to unravel.

As the German economy is globally oriented, it stands fundamentally opposed to any form of decoupling. Not only in trade, energy and finance, but also in security, we need a European "coupling", i.e., a pan-European security structure that includes Russia and Ukraine. Let me call to mind the CSCE negotiations that led to the Helsinki Final Act in 1975: military security was not the only subject of discussions there, but also cooperation in the economic, scientific, technical and environmental fields, as well as in the humanitarian sphere. Security was thought of much more broadly than just in military-political dimensions at that time.

We need a Helsinki 2.0 now. Dealing with the consequences of the coronavirus together with new medicines and medical technology could be an important approach. Initiatives for digitalisation and educating and training skilled workers already exist, but they could be networked more closely. The same applies to the agricultural sector: Ukraine and Russia are leading wheat producers who count on German agricultural technology. But above all, energy has linked Germany, Russia and Ukraine for over 50 years. Turning existing energy relations into a trilateral climate partnership is therefore a logical and overdue step. The opportune moment for a conference on security and climate cooperation in Europe is now. And why not in Helsinki?

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