

EUROPE AND THE LISBON GOALS: ARE WE HALFWAY THERE? MUNICH ECONOMIC SUMMIT 9 AND 10 JUNE 2005

Luncheon Speech by

CHRISTIAN UDE,
Lord Mayor of the City of Munich

Ladies and Gentlemen,

I feel very honoured to welcome you to Munich on the occasion of the 4th Munich Economic Summit.

The main theme of the Lisbon Goals also addresses in particular such central economic areas like Munich. May I therefore touch upon the subject as it presents itself from a local perspective.

With the strategy passed in Lisbon in 2000, Europe was to be reformed by the year 2010 and turned into the most competitive economic area of the world.

The intermediate report of a high-ranking group of experts of last December, headed by the former Dutch prime minister Wim Kok – who will participate in the discussion panel on the revival of the Lisbon Strategy this afternoon – revealed the following:

- The employment rate in the European Union is stagnant, in the field of research Europe is losing ground all over the world.
- It is true, however, that at the beginning of this millennium, Europe was able to catch up with the United States in productivity, but at present, we are falling behind again.
- No doubt, unemployment, one of the biggest social challenges of our time, remains on an unacceptably high level.

The heads of state of the European Union have therefore reached the conclusion in their half-year report at this year's Spring Summit, that we are still some distance away from reaching the ambitious goals.

Further efforts are required to stimulate employment and prevent the social systems from going down the drain. A number of measures to be made by the public sector lie in the competence area of

national and federal states. But even the cities are called upon here, because economic activities, purchasing power and the population are concentrated in the cities.

Munich, the capital of Bavaria, makes great efforts to support the European economic and social model on the local level.

Let me just mention some key features:

The Munich school system, which has a model function on the European level, makes an important contribution in the field of education.

Today, a solid professional training is more important than ever, representing an essential prerequisite for future prosperity.

The Munich office in support of start-up enterprises, a joint organisation of the City and the International Chamber of Commerce for Munich and Upper Bavaria, offers a first-class guidance service on the road to establishing new businesses. This helps to stimulate the implementation of new ideas and business models, as we are rejuvenating our economic structure at the same time.

The Municipal Department of Labour and Economic Development promotes and engages in many regional networks which form the backbone of the science-based economy.

No doubt, successful implementation of structural reforms in the transformation into a knowledge-based economy will largely be shaping the future position of the EU and its cities.

With the Munich Technological Centre planned for 2008, the city will make a significant contribution to provide optimal growth conditions for dynamic companies of expanding sectors.

For successful market orientation we are offering these companies consultation services, supporting them, with inclusion in regional networks and



enabling them through the provision of very flexible space, to rent office space tailored to their market success.

In combination with a number of other activities, Munich is providing active support to improve productivity and promote innovations, especially in small and medium-size enterprises, which are the heart of the local economy.

The promotion of fields like biotechnology and information and communication technology, which are strategic key sectors in the framework of municipal development, makes sure that Munich will maintain its role as economic steam engine.

With the specialised site made available on the grounds of the former Munich airport we have created conditions for Munich high-tech enterprises with extra space for expansion to respond to growth opportunities.

We are supporting the field of life sciences in a similar way. In the new industrial estate near Martinsried, one of the leading clusters of biotechnology in Germany, we are providing exclusive sites for companies of this sector.

Apart from the promotion of firms and sectors, we also try to care for the interests of the workforce. For example, by providing child-care facilities we contribute to the compatibility of family life and professional career.

The time-sharing model introduced in the Municipality of Munich is very popular, the more so as it enables parents to combine security with flexibility in bringing up their children.

Through our consistent equal-opportunity policy we were able to gradually increase the share of women working in their municipality.

With the Munich Programme for Employment and Qualification we are providing additional support for the integration of disadvantaged groups in the job market.

With all these measures, which have often a pilot function, for the private economy even, we were able to contribute towards more employment in recent years and towards a child-friendly and therefore sustainable society, even under economic aspects.

These examples realised in the City of Munich show that Europe's cities are playing an important role in the successful implementation of the revised version of the Lisbon Strategy for more employment and economic growth.

But Munich's experiences also show that, apart from economic aspects, it is also important to consider the cohesion of the urban society along with aspects of environmental protection. Social balance and a sound environment are considerable advantages in the global competition of economic locations. Positive soft location factors in Munich are an asset which speak for our city on the international level.

In conclusion let me add:

It will require concerted efforts involving all actors in the European Union to safeguard our social model securing the achieved level of prosperity and environmental standards. It would be short-sighted indeed to sacrifice these accomplishments for global competition.

However, not only the European Union and their Member States are called upon in this respect. The cities of Europe, in particular, can make valuable contributions here.

To be able to meet this role it is indispensable to secure the necessary revenue base for local governments and to make sure that the room for manoeuvre of the cities is preserved.

Only municipalities with a high performance level can help to preserve and maintain our society and its economic model.

Through my work in the Association of German Mayors I will undertake great efforts to do just that.

I hope to have provided you with some ideas for your conference which should inspire you to also include Europe's cities in the further development of the Lisbon strategy.

On the other hand, I expect from your conference to receive some suggestions as to how the public sector can contribute towards the success of the reformed strategy.

Thank you.