

## Job Creation Through Innovation/ East-West Cooperation

*The meeting was opened by a warm welcome and sobering speech by Professor Klaus-Heinrich Standke, President of the OstWestWirtschafts Akademie. The following are excerpts:*

“Welcome to the Academy for East/West Economic Cooperation in Berlin. In the short 3-1/2 years we have been here, we have trained 3,000 of our colleagues and neighbors as seminar participants from Eastern Europe.

“Our faculty are not academic teachers but the directors of more than 60 enterprises and banks. The mechanism which we use is cooperation through learning and management training, so the interest is company to company.

“On February 1, the International Council for Reform and Cooperation was set up. Eighteen mainly Eastern European countries met in Kiev last

June and formed the Council. They have now decided to establish their headquarters in Bonn rather than Eastern Europe. Solidarity is over in the East and also in the West. There are no ‘*actions concertées*’ among the countries of the Common Market or the OECD as far as Eastern Europe is concerned.

“You are not coming to a happy country. West Germany could supply all the goods necessary in East Germany without a single production facility in East Germany. Slowly but surely we realize that unification means as much change for the West as for the East. To keep East Germany afloat, to keep social unrest somehow under control, is only possible through the transfer of huge amounts from West to East—about \$100 billion a year. In comparison, the Marshall Plan for Western Europe was something less than \$20 billion.

“Practically all of the elite of the former communist East German government and

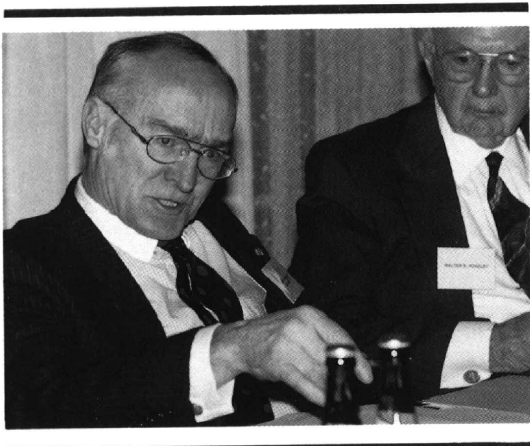
of the scientific and business communities are now out of jobs. They are not ready to enter the system. The way of thinking of the federal government in Bonn will change the moment they are here in Berlin.

“The main topic of this Round Table in Berlin, ‘reducing unemployment through innovation,’ is the key issue for all industrialized countries, both East and West. You will have seen the white paper published by EC President Jacques Delors last December entitled, “Growth, Competitiveness, Employment: The Challenges and Ways into the 21st Century.” Unemployment and innovation are also the main focuses of the election campaign in Germany this year.

“I would like to end on an optimistic note: We have the fantastic opportunity of having now, once again, one continent comprised of Eastern and Western Europe. We have highly skilled labor and technology in the former Soviet Union. Eastern Europe, Russia particularly, has all the energy supply and other raw materials needed by Western Europe.

“All over Eastern Europe there is a gigantic need to modernize the entire industrial infrastructure as well as the public sector. This offers great supply opportunities for the underemployed Western economies. Surely, Eastern Europe has tremendous financial difficulties, but it is high time to develop new, imaginative financing instruments. We should, after all, recall that during the decades of trading with the former communist system, basically little cash was involved but goods were paid for by goods.

“There is much goodwill on a bilateral level. The Caux Round Table could start a dialogue to open the doors for top Eastern Europeans to be part of Western mechanisms. It calls for goodwill and this is what I understand the CRT is all about.”



*Professor Klaus-Heinrich Standke, President of the OstWestWirtschafts-Akademie (left) and CRT Chairman Walter Hoadley*