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Wilton Park



Report

British German Forum 2015

**Strengthening resilience in a world of shocks and
crises**

Monday 13 – Thursday 16 July 2015 | WP1413

With support from:





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The world is arguably more dangerous and unstable than at any time since the end of the Cold War. Is this generation ready to respond? This year's British German Forum, the 30th, took place in a context of unprecedented global change where the diverse security threats faced by the international community join ongoing challenges such as climate change. 2015 represents a critical point for Europe and for the Anglo-German relationship.

The British-German Forum was established by Chancellor Kohl and Margaret Thatcher in 1985 and has been an annual event ever since. The Forum provides a dynamic space in which participants can network and share ideas among their peers and gain insight and inspiration from experienced professionals. Through dialogue, it aims to facilitate both increased shared understanding and the building of strong relationships between influential young Britons and Germans.

Key points

- One of Europe's major problems is its tendency to introspection. Given the intractability of the internal problems in Europe and the Eurozone at present, including instability of the Greek economy, large scale migration into the continent, instability on its southern and eastern borders, it is not clear whether the EU will be able to realise its potential as a credible global actor.
- Messaging is a key area where the EU could do better both in delivering on its promises, and in the coherence of messaging across member states. It does not need to be "all things to all people", but the EU is urged to state clearly what it plans to deliver and then follow through.
- The UK and Germany have much common ground, though Brexit looms large and will continue to do so until the UK referendum about its EU membership in 2017. Forum participants argued that the UK could and should be a full partner in the European project, however due to the fact that the UK is distracted by its internal debate on membership it is more absent now than at any point in recent memory. The group came to broad agreement, however, that most key decision makers in both countries want the UK to remain an EU member.
- Building resilience now and in future means harnessing new technologies, new forms of engagement, and new methods of communication. This includes non-state actors participating in the conversation, finding carbon neutral ways for countries to develop, and providing education, skills, and social security to citizens commensurate with the challenges they are likely to face in coming decades.

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How to strengthen resilience in a world of shocks and crises?

1. Europe¹ has a continuing tendency to look inward at process and its own internal crises whilst not fully engaging with those crises outside its borders. The preoccupation with membership, treaty change, and Eurozone instability has distracted the institutions and the population from such threats as: Russia and its drastic change in posture; religious extremism and terrorism; the relative decline in power on the world stage of Europe; shifting demographics. These are issues that exercised the Forum participants, and would ideally be given more bandwidth by Europe if it was able to spend less time on internal crisis management and restructuring.
2. To drill down into ways of building resilience, the group looked at different definitions of resilience: personal; physical; mental; and economic. It was agreed that it is a relatively amorphous term that is hard to define. Resilience is tied into self-confidence, both personal and national
3. To cope with the crises, resilience needs to start at the national level. Resilient and robust member states will then make up a more robust collective of 28. One initiative floated that found a receptive audience was increased intelligence cooperation between member states, the EU, and NATO. An exemplar held up of this was the harmonious relationship between NATO as an organisation and Sweden.
4. Europe's share of world population and global wealth will be smaller by 2050, so there is a pressing need to work better together, forge diverse global partnerships, and to continue to be, and be seen to be, a catalyst for good in the world.
5. The consensus of the Forum was that they could not recall a time, in living memory or indeed prior to this, when the UK has been so absent on the European stage. There was a view that the UK is becoming more inward looking generally.

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Crises and instability on Europe's borders

6. Decision making in Europe is by nature slow and bureaucratic given the need to balance and take account of the needs of 28 different member states. It cannot compete with the monolithic central control structure of Russia. Given this, it has to be both as nimble as it can be, and also to ensure it is a positive, thriving example of European values including democratic institutions, freedom of the press, environmental responsibility, inclusive and robust societies. The big question, as with everything the EU does, is what is the value added by the EU in any given situation.
7. On migration, aside from the lack of a coherent European strategy that encompasses both up and down stream policy approaches to combat the negative causes and effects of migration, the case for the positives surrounding migration is not made often enough. Whether this be high skilled migrants working in research, development, academia and the like, or service industry work there are benefits to Europe and its member states. An example of this is the current German age demographic imbalance and their need to take in new young graduates to supplement the low levels of German youth. The almost existential problem that migration from Europe's southern neighbourhood is currently presenting to the EU and its social security systems should not be underplayed.
8. In relation to European security architecture there is a stark difference between tactics and strategy. It was felt that in relation to Russia, Syria, and migration into Europe the EU has been responding tactically and is relatively bereft of longer term strategy. There was recognition that these are complicated and often intractable issues. However, it was felt that Europe could and should be doing more. With regards to security 'architecture', there was general agreement that the EU cannot guarantee security in its

¹ Unless specified otherwise, 'Europe', 'European Union', and 'EU' are used interchangeably to refer to the collective of 28 EU member states.

eastern neighbourhood on its own, and needs to be working in cooperation and concert with NATO, the OSCE, and Council of Europe.

9. Messaging was highlighted as important; Europe doing what it says, and spelling out what it intends to do. Juncker's recent suggestion of a standing EU army was seen as particularly unhelpful in this light as it is deemed unfeasible by common consent and unlikely in the short to medium term or indeed ever. There is a pressing need for Europe to deliver on its promises, both within a grand narrative, and on specific issues. The first step towards doing this would be to craft coherent foreign policy positions that a majority of member states can sign up to. Ambiguity about the status of the External Action Service (EEAS) in the division of competences between it and national foreign services does not help it was suggested.
10. The question of whether the world is actually more unstable or more in crisis than 10 or 20 years ago (or even further), was posed. While the challenges facing Germany, the UK, and Europe are great, it could not be said that the current moment represents anything approaching a nadir.
11. One central challenge for all those with a stake in the success of the European project, from politicians to business leaders, is the need to engage with blue collar European workers who find themselves impacted by an influx of people looking for low-paid work. This is true for movement between member states, and migration into the EU.

Climate change, extreme weather, and the impact: how to respond and adapt?

12. The projected changes in world temperature changes could have a huge impact on Europe, altering the climate of both the UK and Germany to resemble that of countries closer to the equator. This is assuming that the global temperature increase can be limited to 2°C, which in itself will require sustained and cooperative global effort. It is projected that there are, according to the Intergovernmental Panel on Climate Change (IPCC), 1,000 gigatons of carbon that can be emitted to keep warming to within 2°C. According to the IPCC, over half this 'budget' had been 'spent' by 2011. The question of how and where to allocate this 'budget' is a huge hurdle to overcome.
13. A recurring theme was the underlying problem of a lack of co-operation and cohesion in Europe on reducing and managing the effects of climate change. Work can and should be done to increase cohesion in the lead up to December's United Nations Climate Change Conference in Paris which is seen as the world's last best chance to reach an agreement on cutting carbon emissions.
14. In the long term this is an issue tied in inextricably to the migration debate; as areas closer to the equator become inhospitable, or even inhabitable, there is likely to be mass flight towards the poles, with Europe being a key destination. Management of climate migrants will be impossible without an adequate framework and coordination.
15. The Forum questioned what impact Europe can make in responding to climate change given its relatively small fraction of the global population, and how it can persuade those nations in the process of industrialisation to do so cleanly. Potential solutions put forward were to lead by example, and to harness technological advances which could enable development in Africa to skip certain stages as has been done in adopting mobile connectivity.

What shape for democracy and governance to respond to shocks and crises in the 21st century: parliamentary perspectives

16. In examining parliamentary perspectives for responding to crises, it became apparent that differences of view on EU and Eurozone membership remain, including between committed Europeans. For some on both the left and right wings of politics across Europe the flaws in the architecture and processes of the European Union are simply

too great, for example UKIP in the UK, Podemos in Spain, and factions of Syriza in Greece. The imposition of austerity on Greece presents a significant challenge to the European ideal; how and why was Greece allowed to join the EU, and single currency, in particular when it now appears it was not financially ready? Is it right that a Greek government not connected with the political class of the 1990s and 2000s is being held to account for the errors of previous administrations? Can the fiscal realities be morally justified and separated from the suffering of ordinary people?

17. Perhaps more of a concern, and indeed intrinsically linked to issues of Brexit, is the constitutional crisis of the United Kingdom. A vote to leave the EU in the referendum could lead to another call for a vote on Scottish membership of the UK. In addition, a more robust border between The Republic of Ireland and Northern Ireland would only inflame tensions. London would also be in violation of the Good Friday Agreement if it proceeded with withdrawal from the EU. The Irish question was raised at many points throughout discussions in several sessions, an issue generally missing from commentary on Brexit in the media.
18. Discussions about an ever closer union of the EU remain a significant problem, both conceptually and practically, particularly for the British. For the UK to remain a member and become fully re-engaged, there needs to be nuance added to this precept; a la carte, two speed Europe, for example.

Responding to growing international shocks and crises: how?

19. In order to respond to international shocks and crises foreign ministries and the EU have a varied toolbox to deploy. This includes trade; the Common Security and Defence Policy (CSDP), the Common Foreign and Security Policy (CFSP), and burden sharing. Though not perfect, there are many instances in which the EU and its foreign relations machinery can and does work for the benefit of member states.
20. Introspection, cumbersome decision-making, and limited funds were highlighted as being the main limiting factors to the EU being a cohesive and effective operator on the international stage through the EEAS.
21. There was debate on the best way for the EU to address the outside world; is this with one voice of consensus amongst the 28? Or to adopt a more a la carte approach? There was no conclusive answer. However, it was agreed both that an action taken with approval of the 28 carries significant weight, and that in some cases it is not practical or profitable to seek approval of the 28.

Europe's economic future: what future for the Euro and what impact on European economies?

22. Since the inception of the EU, and particularly the introduction of the European single currency, economic integration of its members has been a complex process in the extreme. Having reached somewhat of a status quo, it has been buffeted first by the Global Economic Crash of 2008 and seemingly never ending subsequent crises in the Eurozone itself since. European leaders have taken unprecedented steps to keep weaker members in the Single Currency, but for the first time serious questions are being asked over whether Greece in particular can remain in the Euro in the long term.
23. A major flaw in the workings of the Troika (the tripartite committee led by the European Commission (Eurogroup) with the European Central Bank and the International Monetary Fund (IMF)) in its work to remedy financial instabilities in the Eurozone was highlighted as being the seeming disconnect between the IMF's research and operational arms. In multiple cases the operational arm was noted as having acted contrary to the recommendations of its own research division.
24. The Forum addressed the provocative question of whether the UK is irrelevant in the European context and whether indeed that matters. It was quickly established that for a

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number of reasons, history and economic ties prominent among them, the UK is now and will continue to be relevant. There was broad consensus, however, that by making strides to make itself irrelevant in its drive for reform or potential withdrawal, the UK is making itself part of the problem.

25. The group also grappled with whether Germany’s reputation has been damaged by the prominent role it has taken in the Eurozone in the midst of the Greek crisis. There was agreement that its reputation had changed, however opinions diverged on whether this was an inevitable evolution, or an active choice to impose economic austerity on the Eurozone. The German historical preoccupation with severe inflation was noted.
26. The question of whether or not the Euro has a future engendered both a practical and emotional response. While realists spoke of long standing fears about the structural fissures in the European financial architecture, many felt that the survival of the euro was, as with much of the European project, an existential matter. Can it survive? Due to how embedded it is in the German identity for one, many argue that it simply must, and those in all member states with a stake in the EU will “move mountains” to ensure that it does.

European Union in crisis: can it survive?

“while Germany sees Europe and EU membership as an existential matter, the British see it as optional and transactional”

27. Discussions on this and other points was heavily coloured by the ongoing crisis in Greece, which was in itself posing tough questions about the architecture of the European project. The theme of political and fiscal realities versus an existential need for the EU to survive was raised throughout the Forum. Political decision makers across Europe are so invested in the ideal of the European Union that they are expected to go to extremely great lengths to ensure its survival.
28. On the whole, while Germany sees Europe and EU membership as an existential matter, the British see it as optional and transactional. While this is disappointing for engaged Europeans of both nationalities, this is compatible in that the case for membership being economically advantageous to the UK is a compelling one.
29. The UK and Europe collectively need to be able to both look back far enough to see how much of an achievement it is to have sustained peace on the European continent, and also with clear eyes to the future and the challenges that will present to European resilience.
30. A positive spin was put on the UK Conservative government’s apparent desire to renegotiate the UK’s terms of membership and then hold a referendum. The potential for the UK to act as an honest and constructive broker for various groupings of nations, for instance more fiscally rigid Northern European states, on aspects of the EU architecture in need of reform is however one that could be realised in time. Until such time that the Conservative Government sets out its EU reform aims this remains hypothetical.

Strengthening resilience: how does this generation manage these challenges?

31. Tying into the amorphous nature of resilience as discussed at the outset of the Forum, the group looked at the spectrum of resilience building, from personal to regional, and from mental to economic.
32. The concept of “precariat” was discussed at length; applied to the condition of lack of job security, understood by Forum participants as intermittent employment or underemployment and the resultant precarious existence. This is directly applicable to the generation, represented at the Forum, of so-called ‘millennials’ working in short term or temporary jobs and not in sustained careers with a pre-set path of progression. This was attributed to a lack of gainful employment in the wake of the global financial crash, the rise of the zero hour contract, and continued erosion of union power and

workers' rights. This trend was also noted as having positive causes and outcomes however; a more mobile and flexible workforce, a desire to accrue a more varied experience and skill set, and an ability to combine work with other commitments.

“diplomacy, decision making, and government would be done differently in future, utilising digital platforms in an ever more interconnected global system”

33. When looking at how the UK and Germany could collaborate in ensuring greater resilience, conversations such as the British German Forum can play a role given the relative youth of the participants and their potential as future decision makers. Participants were mindful, however, that different sectors of society, particularly those less educated and outward looking need to be brought into the conversation. Though difficult to do, bringing on board disaffected interest groups could make a valuable contribution toward building national and collective resilience.
34. A lively debate took place on the type of leadership the UK, Germany, and Europe needs; a leader with conviction and ideals, or a project manager. It was felt that to varying degrees there was a prevalence of the latter, though opinions diverged on whether this was a good thing. In the age of professional politicians, many present bemoaned the lack of cut, thrust, and disagreement in politics with leaders making decisions and designing policy through focus groups.
35. In looking to the future, discussion touched on digital transformation, globalisation, and de-carbonisation. Echoing sentiments expressed throughout the week, it was felt that diplomacy, decision making, and government would be done differently in future, utilising digital platforms in an ever more interconnected global system.
36. In looking at characteristics of a resilient citizenship and society, education was raised repeatedly. Whether that was to strengthen skill sets with careers in mind, develop empathy by awareness of other cultures, or simply knowledge of the rights and freedoms available to European citizens via Schengen and other measures.
37. What shone through in concluding discussions was the absolutely vital role of education as the bedrock of resilience. Education about other cultures and points of view, education in the sense of building a robust and adaptable skillset early on in life, and education of how to be a citizen of your nation and in an ever more interconnected world. The Anglo-German link, with all its history and baggage, is an exemplar of continual shared experience and the need to evolve in order to survive and prosper together.

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Thomas Hoare

Wilton Park | August 2015

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