



Report on Wilton Park Conference 921

WILTON PARK BRITISH-GERMAN FORUM 2008 *FACING THE NEW GLOBAL REALITIES: HOW SHOULD EUROPE RESPOND?*

Monday 7 – Friday 11 July 2008

1. The 23rd British-German Forum focused on Europe's role in the world in the 21st Century. The group explored the challenges which Europe faces and what more can be done as a union, and by a stronger British-German partnership, to solve them. Whilst there was inevitably discussion about the future of the European Union (EU) internally, given the backdrop of the Irish 'no' vote on the Lisbon treaty just weeks before the Forum, there were also strong feelings that Europe could and should become more of a global player. It was time for the EU to stop navel-gazing and look outwards, it was suggested, recognising its new place in the world vis-à-vis China and India in particular. In the final session the three discussion groups presented feedback resulting from their discussions. These are highlighted in this report.

The global realities

2. The group raised a number of challenges which Europe needs to respond to, many global in their nature. These include: climate change, energy and food security, globalisation and the challenge of continuing economic growth, public health (pandemics etc.), new security threats within the EU and beyond including terrorism and weapons of mass destruction, ideological extremism, inequality, population growth and migration, how to meet the Millennium Development Goals and the sharing of global public goods.

3. There was acknowledgement of the growing economic strength of India and China and the way both are transforming the global economic balance. Whilst three quarters of European trade remains within Europe, the EU has become the largest trading partner with both China and India. Germany's role as the world's leading trader is likely to be overtaken by China in the coming year. However, trade deficits

are growing, particularly with China.¹ Cheaper production costs in China and India will undoubtedly affect EU economic competitiveness.

Europe's global contribution

4. In considering how to respond to the significant challenges facing Britain and Germany a number of common themes emerged. Many global challenges need global solutions but the EU should take a strong lead in solving them, for example becoming a global green leader based on member states' experience, scientific expertise and resources and technological development. With 27 member states and 500 million citizens the EU can be at the cutting edge and lead by example.

5. On the climate change issue, for example, more could be achieved through leadership in research and development of new technologies; German and UK scientific and technical expertise could make a significant contribution. Both countries could work together within Europe to encourage greater energy efficiency and support research and development and new technologies to solve energy shortfalls and mitigate the impact of climate change. Globally, Europe should push its Emissions Trading Scheme (ETS) and work to avoid deforestation. There was also acknowledgement of the limitations of co-operation given the diversity of national interests, for example in terms of preferred energy options and whether nuclear energy is part of the solution or not (Britain being in favour, Germany not currently).

6. To satisfy the growing global demand for food, the EU may need to revise its views on Genetically Modified (GM) crops it was suggested. Opportunities could also be exploited to add value to agricultural products and find new markets with Asian consumers.

7. Europe's Common Foreign and Security Policy (CFSP) enables the EU to speak with one voice where common ground can be found. The strength of the EU common positions has already been demonstrated in working on 'old' challenges such as Kosovo or Ukraine but could be exploited further in dealing with the new

¹ China's economy is the size of Germany but growing 3-4 times faster. The EU overtook both Japan and the USA in 2004, to become the largest trading partner with China. India's trade with the EU is only about one fifth of China's trade with the EU.

challenges. The question was asked whether Europe is ready to assert itself, show global leadership, and develop greater co-operation on climate change, trade and energy? More could be done, it was suggested, by the UK and Germany working together in these areas and showing leadership within the EU.

8. There was recognition that the EU's international contribution is often as a 'soft power' which can be valuable. Spending EU development assistance (up to €8 billion pa) in the right way can be a powerful tool of EU foreign policy in the long-term, and contribute to achieving the Millennium Development Goals (MDGs) if managed well.

9. The UK and Germany could work more successfully together on many issues of shared interest such as negotiating with Iran, meeting MDGs, for example within the G8, and considering the MDG succession framework needed beyond 2015. Building on areas where compromise is feasible such as environmental issues is recommended. On many issues Germany and the UK could take a lead by working together using their different diplomatic networks; the UK with Saudi Arabia, Germany with Russia for instance. More bilateral discussions about key areas of mutual interest were recommended.

10. There are also areas, such as on tackling global warming or in the financial sector, where the EU can act as a global standard setter. Being a standard setter is good for the EU as it produces real economic benefits to citizens and companies. However, the EU will only succeed as a global standard setter in the long term if it is serious about achieving a truly integrated internal market which maintains high quality and tries to co-opt other countries.

11. Europe is a model and magnet to many, especially its neighbours, providing a beacon for transforming societies. Many admire the EU's consensus driven policies and set of values such as upholding good governance, rule of law, human rights etc. There was discussion about what more the EU can do to support its 'neighbourhood' and whether further enlargement for 10 countries 'knocking at the door' is an option.

The future of Europe?

12. There was much discussion about the longer-term implications of the Irish 'no' vote to the Lisbon Treaty. Had the process of EU integration reached its limit? Would the Irish change their mind if they were given the opportunity to vote again? Should the Treaty be 'buried' and the EU use existing institutions, mechanisms and treaties? Were referenda the right mechanism to agree the future of Europe?

13. There were calls to avoid either a return to resurgent nationalism or a new zeal for the EU. Could the EU instead build on its political inventiveness to determine its future, with the 27 member states finding new ways to work together? This could address the 'legitimacy question', which was felt to be missing, and further ways needed to be found to hold the EU accountable to the European Parliament and national parliaments, and thus to its citizens. How otherwise could EU citizens rebuild their trust in the EU? More importantly how can EU issues become 'normal business' within national and local politics rather than something for which other levels of government are regarded as being responsible?

14. There was some spirited and frank discussion amongst the German participants as well as British involving questioning the overall direction of the EU in a more open way with less zeal than previous generations. If the EU can still spark such passion amongst young people, we may not need to worry as much about its future, as previously thought.

15. There was generally a greater desire to pool resources rather than integrate further. Whilst there may be only a weak European 'brand', the EU may need to define its values more carefully in future. In considering the future of the EU, the French should not be underestimated. Europe remains in the middle of an experiment but by acting together, EU member states can be a powerful force for good in the fast changing world of the 21st Century.

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