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Report

**British German Forum 2019**

**Can globalisation still work for all?**

Sunday 7 – Thursday 11 July 2019 | WP1697

With support from:





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Report

## **British German Forum 2019**

### **Can globalisation still work for all?**

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**In association with the British Embassy in Berlin and with support from the Sir Heinz Koepler Trust and Bridge International Dialogue.**

The aim of the Forum throughout its 34 year history has been to strengthen the bonds between the UK and Germany and promote partnership amongst future leaders, usually aged between 25 and 35, in both countries. As the UK leaves the EU, the need to build understanding and strengthen ties between Britain and Germany has become ever more important.

This year's Forum provided a space for participants to look at how to respond to the challenges and opportunities presented by globalisation, and explore three critical questions:

- How can globalisation be made to work for all?
- What must societies in the UK and Germany do to keep pace with technological change and disruption?
- How might industrial strategies and wider government policies in UK and Germany be able to counter inequality?

The British German Forum was established by Helmut 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.

The points below summarise the conclusions and recommendations reached by participants during the 2018 Forum.

## Executive summary

- The UK and Germany are facing difficult, shared challenges that are too big and complex for any one country to tackle alone. Both countries remain attractive powers to third countries. The UK departure from the EU makes their bilateral relationship even more important.
- Globalisation has reduced inequality between countries and is making the world more tolerant and less poor. But there are also disadvantages such as the spread of terrorism and disease and the fracturing of domestic societies. Globalisation and technological advance have increased inequality inside countries - this is now at a socially and politically unsustainable level.
- There is a need to: forge a new social contract and create new mechanisms to redistribute income without causing dependencies; adapt education to the modern world; and create international regulation on the use of data, information and AI.

## Global and domestic inequalities: challenges and responses

1. Globalisation, and in particular the financial crisis of 2007-2008, has led to more fragmented societies. The UK is turning inwards, and has a very unequal distribution of income, while Germany is looking outward but still faces an East/West divide.
2. There is a need for a global compact on what the values for the next generation need to be. The UN may not be fit for this task as it risks crystallising differences between countries. Instead, a movement of nations could be organised.
3. Tackling increased economic inequalities seems to be at the core of making globalisation work for all. The Brexit negotiations have delayed legislation in the UK to address it. Possible measures include: increasing public spending, creating a space for social cohesion, with quotas to better represent those who are benefitting the least from globalisation as a last resort. Better connectivity should also be prioritised to address geographic inequalities.
4. An international approach is also required and could include: aligning tax with other countries, incentivising companies to behave morally through tax breaks.

“Tackling increased economic inequalities seems to be at the core of making globalisation work for all”

## Technology, government and the citizen: how has a networked world changed politics and engagement?

5. We are now in an information age. Society has changed, and warfare has to change. War is being redefined and information weaponised. There is a need to build capability to embrace these changes.
6. Influence in the modern world is more complicated than just fake news. Influencers are not trying to change people’s minds, but they are about making people angrier about things they were already worried about. It is squatting on wedge issues, making everyone angry and make the political processes less efficient. It’s much easier to spread anger and half-truths than to solve these issues: offence is beating defence.
7. Technology has been instrumentalised to reinforce a lack of trust in institutions and a scepticism about experts and science. It creates the possibility of a greater skills gap, increasing inequality. At the same time, digitalisation will increase efficiency in public services, provide greater accessibility and citizen engagement, create jobs and improve transparency through new media channels.

“Technology has been instrumentalised to reinforce a lack of trust in institutions and a scepticism about experts and science”

8. While new technologies are providing new opportunities, there may be a need to keep the social dialogue alive on a non-digital level to maintain the societal tissue with launching dialogues and citizen assemblies as a way to also avoid echo chambers which would increase division. Training and a better geographical connectivity are essential to ensure some parts of the population are not excluded in benefitting from this opportunity. This would also include creating a national curriculum, for example on what it means to be a citizen, clarifying where power lies, as information is much more diffuse in the modern world.
9. Technology can also address race disparity, as a UK government project aims to do by providing [ethnicity facts and figures](#) on 170 topics, including health and education. The website was built with the audience at its centre and with the belief that data transparency, neutrality and awareness were good to address inequalities.
10. It is normal for industrial changes to be driven by big companies. This creates a challenge to democracies though. Data is held by a few corporations and there is a lack of accountability, which can also be reinforced by privacy settings, which allow for some criminal activities to take place away from the public eye.
11. To improve our networked world, there is a need for multilateral treaties, criminalisation and harmonised regulations, especially in a context where parliamentarians are facing unprecedented pressure from social media users and where civil servants need to preserve an environment where they can give impartial advice. An international organisation for technology (eg a version of the International Maritime Organisation) could be established to agree on a new set of rules at the international level. Tackling the issues raised by big tech companies will show citizens that countries can take back control.

### **Global population movements: drivers, challenges and responses**

12. Desperation and aspiration are the two drivers of migration. The fastest growing group of migrants is skilled women. Climate change will play a greater part in global population movements in the future. There is a need for population movement, as there is a demographic challenge in some places, for example in Europe.
13. Current institutions are out of date and not fit for purpose to tackle the current crisis. The response to global change has to be both international and national. A Green Deal, which would need to build a bit more of a political constituency is an interesting way to organise how we address climate change, if there is political will over the long term.
14. Migrants are being used to reinforce populism, they are not necessarily a driver. Perhaps an immigration system based on skills may address some of the concerns of local populations.
15. There is a need to do more in the recipient and origin countries, in particular when it comes to the distribution of wealth. Engaging on those topics with other major powers, like China, is necessary to achieve a movement of nations.

### **Foreign Policy: Making globalisation work for all**

16. In the context of Brexit, the UK is committed to remaining a leader on the world stage – for example on climate change, media freedom and sexual violence in conflicts. It has implemented the biggest expansion of diplomats in a generation.
17. The UK and Germany share the same views on universal values and they have the same global approach. Both countries are committed to an international system based on rules. They also have a shared objective that is to have a secure and peaceful world, and have recently cooperated on a joint compact on global responsibilities, and on renewing the mandate on peacekeeping operations in Darfur.

“The fastest growing group of migrants is skilled women”

“Both countries are committed to an international system based on rules”

18. It is important to have a separate Department for International Development in the UK, as the FCO has a different, diplomatic purpose, although the current government is pushing boundaries on how aid is used.
19. These shared values, history and rules mean that after Brexit, the UK and the EU should have a special relationship. Efforts are being made for the UK to have the closest possible relationship with the EU, in particular on security and defence, and relationships are being reinforced with capitals again, as well as through international organisations, like the UN. The UK has moved increasingly towards Germany since the Brexit referendum. Links could also be strengthened with common UK and German parliamentary sessions, to discuss joint issues, as is already the case between Germany and France.
20. The EU is taking a new stance on the rule of law and Germany is taking a lead. But sanctions can be counter-productive, especially if imposed by a single country. It is in the interest of the Franco-German axis to keep Britain having a role on human rights or other foreign policy issues.

### **Industrial strategy: building inclusive forward-thinking growth**

21. The international trade system is under pressure. There needs to be a discussion about investment screening as well as state-controlled investments, in particular coming from China. After Brexit, frictionless trade will be a key challenge.
22. In Germany, a lot of the largest firms are over a hundred years old. Considering the history of East Germany, this is a disadvantage and new companies or relocation need incentivising.
23. R&D should be better protected to avoid situations where a technology is created in Europe but industrialised and marketized outside of it. This leads to a loss in jobs and revenues in Europe. Amongst other opportunities, R&D is intertwined with climate technology and can help create cleaner industries. Zero-emission should be government led and consumer driven and the UK is trying to capture opportunities that come with the zero-emission strategy.
24. The UK seems to be lagging behind when it comes to productivity, public investment in R&D and transport infrastructure, which increases inequality. Apprenticeships are being developed to address the lack of training in the workforce, in particular for new technologies. Their image and quality need to be improved to make them more appealing. Re-training should also be less stigmatised and more normalised – if not imposed - in an effort to regularly evaluate skills needed. Management skills should also be improved. Overall a change in mentality is required to show the merits of adaptability as well as failures (in particular to encourage innovation). Maybe we should also rethink using GDP as the main indicator of growth.
25. Globalisation also provides an opportunity to redefine working rights, which may improve by offering more flexibility, and be more inclusive. Jobs may become more meaningful, with machines taking care of repetitive tasks, so that citizens can have more free time for leisure.
26. While there are now lots of vehicles for start-ups, there is a need to create support for medium size companies once they are off the ground, including pools of investments to diversify the risk. Helping them to scale up and in particular export should be a priority as well as collecting the data to encourage start-ups to grow. At the moment, for SMEs, there are advantages in not growing over a certain level.
27. National only solutions will not be as effective and the impact of measures will be greater if they are part of a joint strategy with other countries. They should also look at the long term and focus not only on the internal European market - for example on competition policy – but also the world. EU trade agreements would also increase Europe’s soft power and could be encouraged.

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## Populism, illiberal democracy and political extremes: UK and German responses

“Germany has underestimated how its power is perceived by others”

28. Patriotic, selective visions of history, mixed with amplified experiences have increased political extremes. In a context of increased populism, the idea of victimhood, polarisation and identity politics are becoming more prominent. The idea of victimhood contributes to populism. For example, PEGIDA used the idea that Dresden was an innocent victim of WWII - no one confronted this to point out that Dresden was a hotbed for the Nazis. The narrative of victimhood and wanting to take back control can also be found in the Brexit debate.
29. A reunification commission between the former East and West Germany could be organised to show that elites have understood the dissatisfaction coming from the people. It would need to avoid an oppressor/victim dichotomy and challenge divisive politics of victimhood. East and West Germany will need to be on an equal footing.
30. On a European level, people have been more united, but they also discovered that they are different in so many ways. Cohesion in different member states is going in different directions and Brexit has weakened UK-German relations. The two countries may have to work more outside of the current arenas which may weaken the EU. A lot of time will be needed to understand our differences instead of projecting together. A way to address cultural understanding may be to increase the importance of city twinning.
31. Enhancing European unity and integration, which is being challenged by Russia and China, is important and this can be encouraged if the problems brought by globalisation are being addressed so that European citizens are more likely to support the European project. Trust has also been affected and there is a lot of potential for disruption inside member states. Europe should also look at being better at reaching out to ‘swing states’, that is countries that tend to be liberal, to keep them in its circle.
32. Germany has underestimated how its power is perceived by others, and the financial crisis had an impact in that sense, in particular in southern Europe. A reconciliation effort is probably needed on that front too. In the UK, there is no positive English identity, which may have contributed to Brexit. There is also a fracture with Eastern European countries, as seen in the polarised debate on immigration. But in a way, discussions on the topic have helped Europeans to talk about whether they can find a consensus on the rule of law, justice and other key issues.

### Alexia Gouttebroze

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