
Europe's Strategic Choices

1–2 December 2016, Ritz Carlton, Berlin

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CONFERENCE PROGRAMME

Thursday 1 December

0830–0900 Registration and refreshments

Welcome

0900–0915

Professor Dr Joachim Krause, *Director, Institute for Security Policy, University of Kiel*
Dr Robin Niblett, *Director, Chatham House*

Opening remarks

0915–0930

Dr Dietmar Woidke, *Prime Minister, Federal State of Brandenburg, Germany*

Plenary Session One | Challenges to the Union: Europe in Crisis

0930–1045

Brexit; a fragile currency; a refugee crisis; a stagnant economy; rising populism. Europe has a history of advancing through crisis. Can it do so again?

Dr Markus Ederer, *State Secretary, Federal Foreign Office, Germany*

Dr Lykke Friis, *Prorector, University of Copenhagen; Minister for Climate and Energy, Denmark (2009-11); Minister for Equal Rights, Denmark (2010-11)*

Michael Köhler, *Director Neighbourhood, Directorate-General for Development Cooperation, European Commission*

Dr Alexander Stubb, *MP, Parliament of Finland; Minister of Finance, Finland (2015-16); Prime Minister of Finland (2014-15)*

Chair: **Dr Robin Niblett**, *Director, Chatham House*

1045–1115 Refreshments

Break-out Sessions | Group One

1115–1245

A | Partner, Friend or Problem? The Future of the European Relationship with Turkey

The relationship between Turkey and the EU is treading on increasingly rocky ground. Accession talks seem to have stalled, Turkey's economy is far from stable, and from a European viewpoint Turkey seems to be regressing on a number of democratic reforms. But the Turkey-EU refugee deal, however flawed, has brought the importance of the relationship back to the fore. Will Turkey and the EU be able to work together successfully going forward? How can they overcome the sticking points in their relationship?

Professor Dr Hüseyin Bağcı, *Chairman, Middle East Technical University*

Dr Rainer Hermann, *Political Editor, Frankfurter Allgemeine Zeitung*

Professor Efraim Inbar, *Director, Begin-Sadat Center for Strategic Studies*

Dilek Kurban, *Marie Curie Fellow, Hertie School of Governance*

Chair: **Thomas Birringer**, *Head of Team, Africa and Middle East, Konrad-Adenauer-Stiftung*

B | Is Europe's Approach to Counterterrorism Working?

In the wake of the Syrian conflict and the terrorist attacks in Paris and Brussels, the way that European national governments have reacted is highly unequal. While some have taken sweeping measures, others remain more cautious. Europe has struggled to come up with a common answer to the problem. Is there a European approach to Counterterrorism and, if so, is it working? How can cooperation in this area be improved? Have European measures to stop the flow of foreign fighters to conflict zones been effective? What role can prevention and de-radicalization play in countering the emergence of new terrorist networks?

Dr Florence Gaub, *Senior Analyst, Middle East and North Africa, European Union Institute for Security Studies*

Dietrich Neumann, *Governance Department, Head of Corporate Services, EUROPOL*

Professor Dr Thomas Renard, *Senior Research Fellow, Europe in the World Programme, EGMONT – Royal Institute for International Relations*

Dr Karin von Hippel, *Director, Royal United Services Institute*

Chair: **Professor Dr Joachim Krause**, *Director, Institute for Security Policy, University of Kiel*

C | Economic Stability in an Unequal Europe

Inequality in Europe is rising and inclusive growth remains at the heart of the European Commission's Europe 2020 strategy. What are the consequences of rising inequality for Europe's social, political and economic stability? Should the EU be doing more to achieve inclusive growth?

Etele Baráth, *President, Europe 2020 Steering Committee; Minister for European Affairs, Hungary (2004-06)*

Baroness Falkner of Margravine, *Chairman, EU Sub-Committee on Financial Affairs, House of Lords, UK*

Professor Dr Marcel Fratzscher, *President, Deutsches Institut für Wirtschaftsforschung*

Dr Fabrizio Saccomanni, *Vice-President, Istituto Affari Internazionali; Minister of Economy and Finances, Italy (2013-14)*

Chair: **Professor Dr Henning Klodd**, *Head Economic Policy Center, Kiel Institute for the World Economy*

1245–1345 Lunch

Keynote Conversation | Digital Transformation: Adapt or Die?

1345–1445

Digitalization is both opportunity and threat to the European economy. Established businesses face the challenge of implementing innovations without disruption, while game-changing digital businesses such as Spotify have become local heroes. Is digital transformation the key to unlock accelerated growth across Europe or a red herring? Could access to capital and top-tier talent, as well as the ready availability of developer tools and services in Europe, lead to the development of more "unicorns" on this side of the Atlantic?

Joachim Köhler, *Co-Founder and Managing Director, Openspace GmbH; Head, Startup Hub Berlin, Commerzbank*

Elizabeth Linder, *Founder and CEO, The Conversational Century; Politics and Government Specialist, Facebook (2011-16)*

Philip Sinclair, *Fellow, Judge Business School, University of Cambridge*

Larry Stone, *President, Group Public and Government Affairs, BT Group*

Chair: **Matthew Karnitschnig**, *Chief Europe Correspondent, Politico*

1445–1515 Refreshments

Break-out Sessions | Group Two

1515–1645

A | Globalization and the Fourth Industrial Revolution: Are Europe's Labour Markets and Educational Systems Ready?

Europe's comparative advantages make it well placed to lead the fourth industrial revolution. How should it adapt to ensure disruptive technologies such as the internet of things, autonomous vehicles, and energy storage are used most productively? How best can it adapt its energy policies, data legislation and education systems to maximize its competitive potential?

Aart Jan de Geus, *Chairman and CEO, Bertelsmann Stiftung; Deputy Secretary-General, Organisation for Economic Co-operation and Development (2007-11); Minister of Social Affairs and Employment, The Netherlands (2002-07)*

Dr Carl Benedikt Frey, *Co-Director and Oxford Martin Citi Fellow, Oxford Martin Programme on Technology and Employment, Oxford Martin School, University of Oxford*

Dr Wolfgang Kowalsky, *Policy Advisor, European Trade Union Confederation*

Dr Albrecht Ricken, *Senior Director, SAP*
Chair: **Dr Robin Niblett**, *Director, Chatham House*

B | Re-Thinking Deterrence

Deterrence has once again become a hot topic in international security but its applicability has been questioned in light of the changed nature of current threats. How can Europe deter the diverse challenges it faces, from Russia, Iran and ISIS? How can deterrence work in an age of asymmetric, hybrid and cyber threats? How can NATO adapt its concept of deterrence to meet current and future challenges and what role does nuclear deterrence play for the alliance?

Lt Gen Horst-Heinrich Brauss, *Assistant Secretary General for Defence Policy and Planning, NATO*

Professor Sir Lawrence Freedman, *Emeritus Professor of War Studies, King's College London*

Omid Nouripour, *Member, German Bundestag; Speaker on Foreign Affairs, Alliance '90/The Greens; Member, Parliamentary Committee on Foreign Affairs, Germany*

Harald Westermann, *Managing Director, Rheinmetall Landsysteme GmbH*

Chair: **Professor Dr Joachim Krause**, *Director, Institute for Security Policy, University of Kiel*

C | Migration and the Challenge of Integration

Although migration into Europe could theoretically provide the labour market with new potential, in practice it will take years to train migrants currently entering Europe to develop the skills that are needed in Europe's highly developed economies. In the meantime, how can national governments best integrate migrants? How can European countries avoid the pitfalls of coercive integration?

Professor Dr Naika Foroutan, *Professor for Integration Studies and Social Policy, Humboldt- University; Co-Director, Berliner Institute für empirische Intergrations- und Migrationsforschung*

Solveigh Hieronimus, *Partner, McKinsey & Company*

Gergely Pröhle, *Hungarian Ambassador to the Federal Republic of Germany (2000-02)*

Chair: **Dr Heather Grabbe**, *Director, Open Society European Policy Institute, Open Society Foundations*

1645–1700 Short break

Keynote Conversation

1700–1745

Dr Géza Andreas von Geyr, *Director General, Security and Defence Policy, Federal Ministry of Defence, Germany*

Peter Watkins, *Director General, Security Policy, Ministry of Defence, UK*

Chair: **Professor Dr Joachim Krause**, *Director, Institute for Security Policy, University of Kiel*

Plenary Session Two | Europe and China: Peril and Promise

1745–1845

Has China's growth model finally reached its limits? What are the wider consequences of the cool-down of China's economy for Europe's economic ties with Beijing? What are the prospects of a significant drift between European and American approaches to relations with China?

Dr Sarah Kirchberger, *Senior Research Associate, International Political Economy of East Asia, Department of East Asian Studies, Ruhr-Universität Bochum*

HE Sir Sebastian Wood, *British Ambassador to Germany; British Ambassador to China (2010-15)*

Dr Linda Yueh, *Fellow in Economics, St Edmund Hall, Oxford University; Adjunct Professor of Economics, London Business School*

Chair: **Professor Kerry Brown**, *Director, Lau China Institute, King's College London*

1845–1945 Drinks reception

Conference Dinner and Keynote Conversation

1945–2200

Peter Altmaier, *Head of the Federal Chancellery and Federal Minister for Special Tasks, Germany*

Chair: **Quentin Peel**, *Associate Fellow, Europe Programme, Chatham House*

Friday 2 December

0900—0930 Refreshments

Plenary Session Three | The Future of the Transatlantic Relationship

0930—1045

What will be the future of Europe's relationship with the United States under the leadership of President-elect Donald Trump?

Dr Jochen Bittner, *Political Editor, Die Zeit*
Sir Simon Fraser, *Managing Partner, Flint Global; Permanent Under-Secretary, Foreign & Commonwealth Office, UK (2010-15)*

Dr Sylke Tempel, *Editor-in-Chief, Internationale Politik and Berlin Policy Journal, German Council on Foreign Relations*

Chair: **Dr Jack Janes**, *Director, American Institute for Contemporary German Studies, Johns Hopkins University*

1045—1115 Refreshments

Break-out Sessions | Group Three

1115—1230

A | European Stability in an Age of Populism

How far are EU-criticism, neo-nationalism, xenophobia and welfare-state conservatism converging in Europe? How big is the danger that the idea of Europe is losing its support? How should politicians address the causes of disaffection and loss of trust in the political process? In what way does a growing inequality in Europe contribute to this trend?

Stefan Lehne, *Visiting Scholar, Carnegie Europe; Director General for Political Affairs, Ministry for European and International Affairs, Austria (2008-11)*

Beppe Severgnini, *Columnist, Corriere della Sera*

Dr Anton Shekhovtsov, *Visiting Fellow, Institute for Human Sciences; Fellow, Legatum Institute; Research Associate, Institute for Euro-Atlantic Cooperation*

Chair: **Thomas Raines**, *Research Fellow and Programme Manager, Europe Programme, Chatham House*

B | Beyond Pooling and Sharing: The Strategic Relevance of European Defence Cooperation

With a changed security landscape in Europe's neighbourhood and rising defence budgets, the issue of European defence cooperation has gained new momentum. What is the way ahead in a fragmented landscape of European defence cooperation? How far can bilateral and minilateral cooperation take Europe's militaries and what are their limits? How do common European approaches involving the EU and NATO fit into this picture?

Major General Kim Erkki Akseli Jäämeri, *Commander, Finnish Air Force*

Francis Kearney, *Director Customer Business – Europe, Middle East and Africa, Rolls-Royce Defence*

Brigadier General Rainer Meyer zum Felde, *Defence Advisor, Permanent Delegation of the Federal Republic of Germany to NATO*

Chair: **Professor Dr Joachim Krause**, *Director, Institute for Security Policy, University of Kiel*

**C | Secure, Competitive and Sustainable?
European Energy Strategy towards 2020**

Changing patterns of consumption and production, as well as new technologies, storage and transport infrastructure have the potential to fundamentally transform the EU's energy sector. In 2015, the European Commission proposed a framework for an EU-wide Energy Union, which aims to secure sustainable, competitive and affordable energy across the EU. A year on, what are the main political risks and strategic opportunities to Europe's foreign policy? How will these changes alter the EU's relationship with its neighbours and major energy suppliers such as Russia? How will the UK's decision to leave the EU impact plans for an Energy Union?

Oksana Antonenko, *Senior Political Counsellor, European Bank for Reconstruction and Development*

Katharina Umpfenbach, *Senior Fellow, Ecologic Institute*

Chair: **Dr Sabrina Schulz**, *Head of Office, E3G Berlin*

1230–1330 Lunch

Plenary Session Four | Europe towards 2030

1330–1445

Irakli Alasania, *Chairman, Free Democrats Party, Georgia; Minister of Defense, Georgia (2012-14); Permanent Representative of Georgia to the United Nations (2006-08)*

Dr Bruno Maçães, *Nonresident Associate, Carnegie Europe; Minister for Europe, Portugal (2013-15)*

Natalie Nougayrède, *Member of the Editorial Board and Columnist, The Guardian*

Caroline Wilson, *Director, Europe, Foreign & Commonwealth Office, UK*

Chair: **Quentin Peel**, *Associate Fellow, Europe Programme, Chatham House*

Closing Remarks

1445–1500

Professor Dr Joachim Krause, *Director, Institute for Security Policy, University of Kiel*

Dr Robin Niblett, *Director, Chatham House*

1500 End of conference

BREAK-OUT SESSIONS | GROUP ONE

- a. *Partner, Friend or Problem? The Future of the European Relationship with Turkey*
- b. *Is Europe's Approach to Counterterrorism Working?*
- c. *Economic Stability in an Unequal Europe*

A. Partner, Friend or Problem? The Future of the European Relationship with Turkey

In the context of the increasingly troublesome relationship between Turkey and the EU, this session explored whether the two will be able to work together successfully again and, if yes, how they could overcome the sticking points in their relationship.

There was a broad consensus that Europe needs Turkey and vice versa. For some participants, the symbolic vote of the European Parliament to suspend negotiation talks on Turkey's EU membership was welcome; however, it was broadly agreed that it would be a mistake to stop the negotiations completely. Other participants saw the suspension of the negotiations as a mistake, because in doing so the EU loses its leverage over Turkey. Another suggestion was rather than stopping or suspending the negotiation talks towards Turkish EU membership, Turkey's current accession status could be downgraded back to candidate country status.

Several participants expressed the opinion that Turkey's EU membership will never happen and both sides are aware of this. Nevertheless there was consensus that some form of relationship is needed, because of the economic, political and social ties between Turkey and the EU. One participant raised the point that Europe is the most important factor for Turkey's modernization, and excluding Turkey from Europe would be a fatal mistake.

Another participant felt that Turkey no longer wants EU membership and that the EU missed the window of opportunity in 2004 when Turkey fulfilled the Copenhagen Criteria but was not granted full membership. Now Turkey focuses on the Middle East with an emerging political Islam in shape of the Justice and Development Party (AKP) and a romanticized view of Ottoman rule in the region.

When discussing the domestic situation in Turkey since the failed *coup d'état* in July 2016, a participant drew parallels to Germany in the 1930s and the so-called *Reichstagsbrandverordnung* (Reichstag Fire Decree), which was one of the key steps towards the establishment of the Nazi state in Germany. But again, it was stressed that Europe and the EU should not turn away from Turkey as democratization in the country can only be achieved by influence from outside.

Another participant brought the discussion to NATO – it was expressed that the problematic relationship is too complicated to be viewed as binary: either in the EU or outside the EU. As an old and strategically important NATO member, Turkey today is still highly important for the Alliance. As the southern flank of NATO is currently the most vulnerable, Europe and NATO cannot afford to ignore Turkey, since without Turkey in NATO there is no security for Europe. Turkish NATO membership could also be a tool to improve the Turkish-European relationship. Another argument was that Turkey needs to stay in NATO in order to discourage it from acquiring nuclear capabilities.

Taking a broader, strategic point of view, one participant argued that nuclear proliferation in the Middle East is strongly impacted by the recent Iran nuclear deal. The only way to prevent nuclear proliferation in this region would be to prevent Iran from acquiring nuclear weapons.

The overall consensus of the session was that EU–Turkey relations must be maintained and somehow improved. The EU should first identify its long-term goals in order to find the right instruments towards Turkey.

B. Is Europe's Approach to Counterterrorism Working?

The central issue at the heart of this session was the question of whether Europe's approach to handling terrorism has been and continues to be effective.

The initial focus of the discussion was on Belgium as an example of the lessons learned from the high-profile terrorist attacks in Paris and Brussels. Belgium and its counterterrorism approach had been the focus of international attention and critique. It was highlighted that, contrary to the common argument, Belgium was among the first countries in Europe to point to the problem of radicalization, setting it on the agendas of EUROPOL and the European Council. Nevertheless, problems such as the comparatively low per capita expenditure on police and security services, a subsequent lack of resources and personnel as well as a clear focus on criminalization and repression instead of prevention have so far hampered the country's efforts to counter the threat.

The panel discussed EUROPOL as an example of a European response to the threat of terrorism and the attacks in Paris and Brussels as catalysts of change for the organization. Countries that previously showed reluctance to trust EUROPOL with their data (France and Belgium were mentioned) have now shared complete datasets with Europe's top police organization. The United Kingdom has also decided to opt in to EUROPOL after remaining on the side-lines before the attacks in France and Belgium. Against this backdrop, one participant spoke of a shift from bilateral to supranational cooperation, hinting at the possibility of a security union. On the technical side, the harmonization of data systems, the growing importance of big data and advances in data encryption were mentioned as major developments impacting EUROPOL's work. Time and money were singled out as the main challenges for its counterterrorism efforts. Building a system of information and intelligence sharing requires patience but was presented as a road Europe should continue to follow.

As an example of a different approach, the global coalition to counter ISIS was debated as an instrument that has, to varying degree, been effective at striking the organization at its core in Syria and Iraq. While ISIS's ability to stage or inspire attacks in the West has been analysed and debated, other potential long-term effects of the weakening of the organization's core have featured less prominently in the debate. These were highlighted by one participant: the spread of ISIS affiliates across the region and the consequences of returning fighters to regions other than Europe. Here, it was noted that no one currently seems to be collecting data or bringing together information on the new form of organization that might result from the coalition's success in countering ISIS.

The panel went on to discuss the causes and motivations for terrorism emanating from and affecting the Arab world. The debate evolved around a number of factors, including protracted armed conflicts, corruption, weak business environments and unemployment disproportionately affecting younger populations. In addition, the tendency of many governments in the region to counter violence with more violence was described as exacerbating the problem. One participant highlighted that, taken together, these problems are often neglected partly due to an incorrect understanding of the real issues of statehood

in the region. Rather than a question of borders, the question most relevant to the people in the Arab world is what the state can actually deliver for its citizens. While there is an argument to be made about the potential effect of outside support from European countries to alleviate the situation, the role of Islamic religious currents such as Salafism is something Europe has little influence over and is unlikely to solve via approaches such as de-radicalization. As one participant put it, not every Salafist is a terrorist but every terrorist on his journey has at some point has come into contact with Salafist ideas.

C. Economic Stability in an Unequal Europe

This session focused primarily on the roots of current inequality in Europe and put forward some suggestions for structural reform.

Inequality in Europe rose sharply after the 2008 financial crisis, although current levels are not necessarily linked to slow national growth. Rather, many regions in Europe are experiencing low levels of productivity and as a consequence, a shortage of jobs and limited returns in investment. Restricted access to the labour market in some parts of Europe has further contributed to the polarization in EU societies. Recent electoral outcomes reflect some of the grievances of those who have felt left behind.

In particular, Europe suffers from two types of inequality: inequality of outcome, where some workers, in particular women, migrants and the unemployed, face more barriers when accessing the labour market; and inequality of opportunity, where upward labour mobility is restricted due to economic constraints and slow growth.

Building a smart, inclusive and sustainable Europe will require long-term thinking, which is premised on a more resilient labour market. There are two ways EU governments can prioritize greater inclusion and access to the labour market: firstly, by designing structural reforms to relaunch the private sector, thereby improving competition and ensuring higher levels of investment; and secondly, by providing the education necessary to understand the demands of a changing economy. In this regard, the EU should look into reallocating some of its budget to education.

More concretely, the EU must seize the opportunities that advances in technology have to offer, as well as plan for those who may lose their jobs to automation in the longer term. The banking sector should also be reformed to avoid further fragmentation. Strong political leadership will be needed to drive structural reforms forward.

Germany alone cannot reform the EU. In the UK's absence, the EU may see new forms of bargaining between member states. The EU will need to ensure deeper integration in certain areas and subsidiarity, even at the regional level, in others. A recent European Commission document argued in favour of strong fiscal policies at the EU level, particularly at eurozone-level, as first step to build resilience in the face of financial uncertainty. There is also a need for a more open and inclusive dialogue on Europe's social contract and the changing demands of the economy.

EU governments will also need to rethink their welfare models, which will be unsustainable in the long term. Currently, the EU represents seven per cent of the world's population and approximately 50 per cent of total global welfare spending, with a risk of total spending rising in the future.

BREAK-OUT SESSIONS | GROUP TWO

- a. *Globalization and the Fourth Industrial Revolution: Are Europe's Labour Markets and Educational Systems Ready?*
- b. *Re-Thinking Deterrence*
- c. *Migration and the Challenge of Integration*

A. Globalization and the Fourth Industrial Revolution: Are Europe's Labour Markets and Educational Systems Ready?

This session discussed the impact of the fourth industrial revolution on labour markets and education systems.

The session's participants first set out to define both the term and the concept behind the so-called fourth industrial revolution. Not all participants were content with the term, with some arguing that there was nothing industrial about it. Others emphasized various evolutionary stages of industrial production, the fourth and latest stage being characterized by networks that are increasingly blurring traditional organizational borders. There was consensus that, this time, it is mainly white-collar workers who are threatened by new modes of production that require skills such as creativity as well as networks within companies that are less based on process than trust. One participant noted that, for the first time, the nature of a job is changing faster than the lifetime of a human being.

The question of how to mitigate the effects of these rapid changes in the labour markets and production processes sparked a lively discussion during the session. Digitalization as the latest phase in a long ongoing process of deindustrialization was described as the cause of protests and resistance if its benefits are not equally distributed or if there is no compensation for the loss of jobs and economic security. This is all the more relevant as the fourth industrial revolution, in contrast to its historic predecessors, is mostly happening in liberal democracies.

Some argued that there will be a lot of work in the future, but fewer jobs based on a contract between employer and employee. This would require social security in Europe to be entirely reorganized and disconnected from the employer to better include the increasing numbers of self-employed workers. One participant noted that deals and negotiations concerning taxation and the legal status of employees and the benefits that come with it are possible even with companies that have been heavily criticized for their practices in the past, Uber being one of them. As a consequence of a lack of political will and leverage at the municipal or city level, European regulations were advocated by some as the most effective way to rein in rogue companies.

Apart from regulation, potential solutions that were discussed during the session were fair taxation, the idea of government incentives for people to relocate where new jobs are, investment in people via education systems that concentrate less on formal training and technical knowledge but more on creativity and problem-solving as well as more room for experiments such as 'design thinking' that could represent new pathways to innovation.

B. Re-Thinking Deterrence

This session discussed how, over the past five years, faith in the EU's security structures has been rocked by a series of conflicts. This includes Russia's annexation of Crimea, persisting violence in Ukraine, an increase in hybrid warfare and growing instability in the European neighbourhood, which has triggered the largest wave of migration and refugees since the Second World War. In the face of these pressures, publics are questioning the EU and NATO's ability to respond to these threats.

At the recent Warsaw Summit, NATO established three key priorities for the Alliance over the next few years. First, NATO must develop a flexible strategy to respond to growing threats, which rests on quick decision-making, rapid deployment of troops, greater intelligence capacity and sharing and early warning systems. This will require NATO allies, particularly European, to convince publics of the need to spend a minimum of two per cent of GDP on defence. Greater and sustained investment will also be needed to build new air forces, ships and missiles. While plans for an EU army are unlikely to materialize, the EU needs to increase defence cooperation.

Second, NATO must play a greater role in supporting international efforts to secure peace and stability in neighbouring countries. With a Trump presidency, a planned UK exit from the EU and growing unrest on the EU's borders, NATO finds itself at an important crossroads and needs to rethink how it can sustain the security relationships among allies. NATO must also show greater cohesion, unity and resolve in face of foreign attacks.

Thirdly, NATO needs to revisit, clarify and reaffirm its commitment to deterrence both as a foreign policy tool and a policy of containment. NATO allies need to better understand Russia's assessment of NATO capabilities and determination, as well as rethink the strategy for nuclear deterrence.

C. Migration and the Challenge of Integration

There was broad consensus in this session that mass migration and integration pose two of the biggest challenges Europe has faced in the last 20 years. The integration of migrants and the security of EU external borders were considered crucial.

It was noted that European countries have different experiences with migration due to historical reasons. The imbalance of burden sharing needs to be addressed, as 2.5 million refugees were admitted to only six countries. There is a point to be made that applying cultural criteria for the admission of refugees is not feasible in practice, as once refugees become citizens of an EU state, they are allowed to move freely within the EU.

To address mass migration effectively, it was deemed necessary to aid the countries from which migration originates. There was broad consensus that the criteria for granting asylum have to be aligned throughout Europe and that a fair and transparent asylum procedure needs to be designed. Otherwise, migrants are incentivized to move to those countries where the chance to receive asylum is most likely.

There was consensus that prevailing laws of deportation must be enforced as right-wing parties will capitalize on the issue. Additionally, a distinction has to be made between asylum-seekers and refugees.

It was suggested that forced and voluntary migration are merging. A number of participants felt that the overall narrative of the issue has changed. Whereas the humanitarian motive was previously the predominant argument in the public debate, border security is currently the central concern. Some

participants stressed the importance of re-establishing border security through the closing of the 'Balkan route'.

A group of participants emphasized the potential benefits of migration. Europe's demographic development – its population is expected to decline while becoming increasingly older – could possibly be mitigated through migration. However, successful integration requires a multi-tier effort. It was felt that governments would have to direct a multifaceted effort at the integration of refugees, encompassing language, economics and the avoidance of ghettoization. There was consensus that allocation within the admitting country is the key to success.

It was noted that the labour market is currently too impermeable for migrants. A first step is to assess the individual qualification of a migrant. However, the standards for formal qualification differ widely between EU countries which poses additional difficulty.

BREAK-OUT SESSIONS | GROUP THREE

- a. *European Stability in an Age of Populism*
- b. *Beyond Pooling and Sharing: The Strategic Relevance of European Defence Cooperation*
- c. *Secure, Competitive and Sustainable? European Energy Strategy towards 2020*

A. European Stability in an Age of Populism

This session discussed the factors driving populism across Europe. The definition of populism and how it should be opposed were also discussed.

Europe's economic conditions were cited as the key reason behind the flourishing of populist movements across Europe. Almost a decade of crisis has left people feeling resigned and frustrated. This has contributed to a widespread pessimism and the perception of insecurity. Many people fear or are threatened by social decline or poverty. In this context it was argued that politics is increasingly seen as overburdened, and claims by governments that their solutions are 'without alternatives' are understood as provocations. As a result many people turn to radical alternatives offered by populists.

It was noted that a general feeling of powerlessness to influence politics has also caused people to turn away from established political parties. The shift of competences from state level to the EU and the technocratic characteristics politics has adopted have been as important driving forces of alienation and, consequently, of populism. The importance of perceptions was stressed. However, there was a broad consensus that populism can only be explained through the combination of current economic developments, cultural characteristics and psychological factors.

The discussion then moved to the question of what populism actually is. There was an agreement that populism is not an ideology but instead a special kind of polarizing language. It is a language which some movements or people adapt to separate themselves from others. Most populists claim to represent 'the people' against 'the elite'. However, populism is not limited to targeting the establishment, but can position itself against almost anything, e.g. foreigners, globalization, etc. While it was agreed that populism is not a durable phenomenon – since populists are often either part of the 'elite' or become part of the 'establishment' as soon as they come into power – there were warnings not to underestimate the

danger of populist and nationalist revival in Europe. Even if populists do not win votes, they are already setting the political agenda.

The discussion stressed that established parties and politicians should not try to imitate populists, but that the underlying legitimate concerns of the people that have turned to populism should be addressed. Further, it was suggested that listening to the discussions 'on the street' is the most important precondition before coming to explanations and solutions. Nevertheless, it was felt that convictions should not be compromised due to concern about being targeted by populists.

B. Beyond Pooling and Sharing: The Strategic Relevance of European Defence Cooperation

This session set out to address how European defence cooperation can be improved. Over the past 25 years, Europe's armies have been subject to drastic reductions as part of the post-Cold War peace dividend. At the same time, European states increasingly focused on small and medium-sized crisis management operations in Africa and elsewhere, while becoming even more dependent on the military capabilities provided by the United States. Consequently, European militaries were no longer capable of operating in contingencies that would require a quick and substantial deployment of forces into high-risk environments.

Today, however, both the members of the EU and NATO are in the process of shifting attention back to more conventional military capabilities. As a result of Russia's growing military posturing and actions, the European states are now trying to find better means and ways to strengthen their common security and defence.

The Framework Nation Concept constitutes one such effort. Spearheaded by Germany and the United Kingdom, it allows smaller militaries to 'plug' their rather limited capabilities into a larger organizational structure provided by a more powerful state. In essence, the 16 shortcomings identified by NATO at the 2014 Wales Summit are being addressed jointly, instead of each state trying to rectify these problems by itself. Yet, significant hurdles – ranging from political to technological – need to be overcome.

Defence still remains in the hands of each individual state and is not decided at EU or even NATO level. The existing bilateral and multilateral cooperation within Europe is heavily influenced by national security calculations. Despite close cooperation in areas such as intelligence sharing or air policing, concerns regarding the security of shared assets and critical information are big obstacles in reaching better defence collaboration. Participants agreed that both trust building and technological innovations to protect these interests will be of paramount importance.

From an industrial point of view, much has already been achieved in Europe. Platforms such as the Tornado combat aircraft, NH-90 helicopter and Airbus 400 transport plane highlight Europe's ability to pursue joint ventures. However, as one participant noted, domestic interests and the emergence of new national defence markets, e.g. Poland and Turkey, prevent greater consolidation of Europe's defence industry. Furthermore, it is still unclear if Europe can reduce its dependency on key US capabilities in the long run.

The session concluded that European states have been able to reverse the trend of continued defence reductions in recent years. Furthermore, they have become more effective in aligning their common security interests and merging their defence capabilities.

C. Secure, Competitive and Sustainable? European Energy Strategy towards 2020

This session highlighted that energy security is a central component of the EU's foreign and security policy. Important steps have been taken over the past 10 years, including new unbundling rules, diversification of energy supplies and the building and planning of new interconnectors and liquid natural gas terminals. EU-Russian energy relationships are also slowly improving, even though the EU's overall gas demand is dropping. However, there is still too much focus on building new gas pipelines, rather than improving efficiency and connecting the EU's electricity grids. This could result in stranded assets in the future.

The EU has also made progress in addressing climate change. In attempt to decrease the EU's greenhouse gas emissions, the EU has taken important steps to decarbonize its economy and generate energy from renewables. The recently published Winter Package highlights the need to place consumers at the heart of the internal energy market as well as ensure that at least 40 per cent of the EU's relevant funding goes to meet the climate and energy targets. This could provide the EU with a chance to present itself as a climate change champion on the global scene, although may require Germany to play a more prominent role, particularly once the UK has left the EU.

Regardless of the UK's future relationship with the EU, maintaining close relations in the field of energy is in the vital interest of both parties. However, accessing the EU's internal energy market may require the UK to adopt the EU's future energy acquis, as well as agreeing to a form of joint dispute settlement mechanism – both of which may prove politically contentious in the UK. The UK government and British firms will need to increase their presence in Brussels to ensure their views are heard. While energy relations will not figure prominently in the UK–EU negotiations, these discussions offer the chance to rethink the EU's relations with neighbouring countries, including Russia. The EU should also consider increasing the number of energy experts in Brussels and EU embassies.

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