



BERLIN TRANSATLANTIC CONFERENCE

The Liberal Order under Siege?

Where is the West heading in times of rising populism, re-nationalization, globalization-fatigue, and a growing divide between cosmopolitan elites and those left behind?

November 8, 2016

Report

Rapporteur: Laura König



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Program

- 9:00** **Registration and welcome coffee**
- 9:30 – 10:00** **Welcome** by Rüdiger Lentz, *Executive Director, Aspen Institute Germany*, and by Eckart von Klaeden, *Chairman, Board of Trustees, Aspen Institute Germany*
Keynote by Michael Ignatieff, *President and Rector, Central European University*
- 10:00 – 11:30** **The rise of populism: A stress test for Western democracies**
What are the root causes of the current rise of populism in the US and Europe? What role do the migration crisis and quest for identity play on the one hand globalization resentment and social injustice on the other? Why do people mistrust their political elites and democratic institutions? What can be done to strengthen liberal democracies? Starting with Brexit what will happen to the European project and its values?
- Panelists:
József Czukor, *Foreign Policy Adviser to the Prime Minister of Hungary*
Pierre Mirel, *Honorary Director General, European Commission*
Steven Sokol, *President, American Council on Germany*
Sylke Tempel, *Editor in Chief, Internationale Politik, German Council on Foreign Relations*
Moderator: Pavol Demeš, *Senior Transatlantic Fellow, The German Marshall Fund*
- 11:30 – 12:00** Coffee break
- 12:00 – 13:30** **Globalization fatigue and re-nationalization on the forefront: Their impact on the Transatlantic alliance and the liberal order**
What impact does re-nationalization have on the Transatlantic and European security architecture, especially with regard to NATO and Russia? Is there an inherent contradiction between the interconnectedness of our world in terms of security and economy and a trend to re-nationalization? Is re-nationalization possible in the digital world? What does re-nationalization mean in regard to a community of shared values?
- Panelists:
Mircea Geoana, *President, Aspen Romania*
Philippe Legrain, *Visiting Senior Fellow, London School of Economics*
Daniela Schwarzer, *Otto Wolff-Director, German Council on Foreign Relations*
Kurt Volker, *Executive Director, McCain Institute*
Moderator: Jan Techau, *Director, Richard C. Holbrooke Forum, American Academy*
- 13:30 – 14:30** Lunch
- 14:30 – 16:00** **Looking into the crystal ball: two possible scenarios for the future of the Transatlantic alliance:**
Scenario 1: A reformed and renewed EU and US form an even stronger alliance tackling common challenges; Scenario 2: A crumbling EU and an isolationist US drift further apart losing the liberal order
- Panelists:
J.D. Bindenagel, *Henry Kissinger Professor for Governance and International Security, University of Bonn, former U.S. Ambassador to Germany*
Ian Kearns, *Co-Founder and Member of the Board, European Leadership Network*
Alexander Graf Lambsdorff, *MEP, Vice President of the European Parliament*
Janusz Reiter, *President and Founder, Centrum Stosunków Miedzynarodowych*
Moderator: Annette Heuser, *Executive Director, Prof. Otto Beisheim Stiftung*
- 16:00 – 16:15** **Conclusion & Adjourn**



Executive Summary

Rarely has an American election sparked so much attention, mystification, and concern like the presidential race in 2016, not only in the U.S. but around the world. On November 8, the day of the election, the Aspen Institute Germany hosted its annual Berlin Transatlantic Conference, the third of its kind, to look at the big picture developments, of which the rise of Donald Trump presents itself rather as a symptom than a cause. His rise fits the wave of populists in many Western democracies whose support has recently swelled.

A common theme during this year's conference has been the impact of globalization and how it has been affecting the economy, the population, and the sense of identity and culture. Economies have become increasingly interconnected and interdependent; supranational and international institutions influence national political systems and decision-making processes to a larger degree than ever before. Particularly the economic disruption in connection with the arrival of industry 4.0 and struggles around identity and culture have been identified as the main causes of the rise of populist movements. In addition, an essential role has been attributed to the media as a contributor to the polarization within Western democracies.

The major goal of all measures on how to defy populism on both sides of the Atlantic must be the integration of those who feel left behind. How can they be more involved in political processes? The most crucial aspect here is to rebuild trust in the ruling elites. Trust was identified as the key factor in order to successfully defy populist movements and strengthening the liberal order: the ruling elites across Europe, but also in the US and elsewhere, need to regain the trust of their citizens.

The conference also addressed consequences of populism for the transatlantic relationship. Throughout the entire conference panelists underlined the following point: The future of the transatlantic relationship and the liberal order depends on whether we, citizens on both sides of the Atlantic, have the will and the courage to preserve it. We are not "left without choices" (alternativos). Rather, panelist emphasized that it is our choice to fight for the transatlantic relationship and work to preserve the liberal order.

The Liberal Order under Siege?

On both sides of the Atlantic one can observe mounting frustration with the lingering effects of the global financial crisis and the Euro-crisis, terrorists attacks spreading fear, concerns surrounding record levels of migration, and growing doubt over the ability of the political elites to effectively address these issues.

These developments have a profound impact inside Western democracies, as Brexit has shown, but also on their foreign policy and with it on the EU, the transatlantic alliance and their ability to uphold the liberal order. The set of ideas such as liberal democracies, open societies, globalization, open borders, close cooperation of governments, a fair international order, and institutions, that represent them are not a given state of nature. Even though they have made the world a more peaceful and prosperous place for decades, they remain fragile and can be reversed any time. Donald Trump's call to build a wall on the border with Mexico may signal the end of an era that started with the fall of another wall in Berlin.

As governments in Europe and North America are currently witnessing the rise of radical right and left wing demagogues and parties – forces that are attempting to further undermine trust in established democratic institutions – panelists from both sides of the Atlantic identified root causes and discussed possible responses to a rising populism during the conference. In addition, participants speculated on the impact it will have in regard to the recent U.S. election and on the transatlantic relationship.



Populism – a Threat to the Liberal Order?!

Central to this year's Aspen Berlin Conference has been the question: *The Liberal Order under*

Siege – but by whom or what? Here, participants and experts identified several threats, ranging from the so-called new authoritarians, to illiberal demo-cracies to violent extremists.

Michael Ignatieff, President of the Central European University in Budapest held the keynote address.

Yet, as keynote speaker Michael Ignatieff, President of the Central European University in Budapest noted, the biggest threat to the liberal order is posed by populist movements. These movements call for a protectionist, anti-globalist economic policy and can be characterized by a majority of anti-liberals in their political system. Similar to the aforementioned threats to the liberal order, populists also promote a nationalist ideology. A key question here is: Will they play by the liberal rules if they lose elections? The most prominent example has been Donald Trump and his denial to promise to accept the outcome of the presidential election on November 9th. He would have been the first presidential candidate who has not articulated his willingness to acknowledge the outcome, regardless of the result. Participants were concerned about the possible impact on the American political system

if this would have happened. *Though what are the causes for the increased popularity of populist leaders on both sides of the Atlantic?*

Causes of Rising Populism

A common theme during this year's conference has been the impact of globalization and how it has affected the economy, the population, and their sense of identity and culture. Economies have become increasingly interconnected and interdependent; at supranational and international institutions influence national political systems and decision-making processes to a larger degree than ever before.



Economic Disruption

Yet, to name globalization the main or only cause for the rise of populism would be too simplistic. Panelist particularly named economic disruption, thus the economic aspect of globalization, as a major cause. Economic disruption is closely linked to the rise of industry 4.0 and the digitalization of production processes which demand from individuals and companies alike an entire set of new skills and adjustments in order to stay competitive in a changing work place. In addition, initiatives and agreements to protect the environment also affect national industries and to a certain degree contribute to the decline of industries, for example coal and mining.

Such developments have contributed to making people feel “left behind”, in a way as if anyone benefited from the globalization but them. Here, subjective perception and hard economic facts often diverge. However, with social media having become one the primary sources, where people search for news and information, hard facts have been losing importance over feelings and impressions as the basis for opinions and beliefs.



Pavol Demes, Senior Fellow, German Marshall Fund (right) and Pierre Mirel, Honorary Director General, European Commission (left)

In this context, participants highlighted the notion that globalization is often perceived as being beneficial mostly to multinational corporations and less to the broader public good. In public discourse, trade agreements, such as TTIP, are often understood as harmful to consumers, and governments are perceived to only look after the interests of large corporations. Further, the “ruling elite”, a term with an already negative connotation, is often associated with a certain arrogance and seen as a more or less closed group.

This “elite group” is perceived as the biggest beneficiary of globalization, shoring up its influence and wealth. Therefore, ordinary citizens question the benefits of globalization

as they feel they are not getting their fair share and their voices are not being heard. This in turn causes a shift away from an internationalist to a national and local perspective, which is associated with the familiar and beneficial to the public. In this environment, political outsiders or newcomers find a fertile ground when they claim to express the true will of “the people,” denounce the current political and economic system “to be rigged” - as Donald Trump has done - and are praised to be “authentic” and “say just how it is,” when they make outrageous statement.



The Struggle for Identity

In addition to economic disruption, panelist and participants named a struggle for identity as a further major driver in the uprising of populist movements. The liberal and cultural revolution of the past decades has improved life for many minority groups in society and secured enhanced and equal rights for all members of society. Similar to previous drivers, these changes confront existing value systems and make certain groups of society uncomfortable or even feeling threatened. This mélange feeds into populist movements who often wish to reverse these cultural developments. For them, this would be a possibility to secure their position in society, panelist argued.

Steven Sokol, President of the American Council on Germany

The Role of the Media

In regard to both causes, mainstream parties have been slow to address these issues, either due to a lack of knowledge and ideas, or ignorance or due to the fear of political correctness. Yet, this fueled the estrangement between citizens and parties, panelist argued. Considering the dimension of both major causes of populism, panelist and participants could not agree which of the two is the more influential one.

József Czukor, Foreign Policy Adviser to the Prime Minister of Hungary





Another dimension of the rise of populism, which caused a lively discussion amongst participants, is the role of the media as a major contributor to the polarization in Western democracies. The major problem, it has been argued, is that the clear distinction between opinion and information has been blurred, and differentiating between the two has become increasingly difficult.

Panelist argued that the core role of media lies in presenting information and facts, which then serves as the basis for further analysis and forming opinions. As the use of traditional media declines, social media is gaining influence, offering (unverified) news and information. Many populists have successfully used social media to groom their followership. The extent to which information is “true” is often difficult to identify and makes it easy for emotions to overpower hard facts. Here again, a link to the post-factual society becomes evident.

*Sylke Tempel,
Editor in Chief,
Internationale
Politik, German
Council on Foreign
Relations*

However, panelists cautioned when talking about “the truth,” as it is a very big category. Instead of demanding “the truth”, it was suggested, one should rather talk about facts, evidence, and information, as there is no absolute truth.

Is Globalization Reversible?

A highly debated question of the conference centered around the issue whether globali-zation is reversible and whether a single country can simply “opt out.” On the one side, participants argued that our economies and political systems are too interconnected and too intertwined to allow countries to simply leave globalization. Through decades of political and economical integration and increased security linkages, countries are just too interdependent.

Therefore, one panelist argued, the idea of a country being sovereign is just an illusion. How would a country do trade when most other states are part of larger trade agreements and free trade zones? How could the free movement of people be controlled? How would countries not be affected by other state’s economic and political decisions? Based on these questions, some participants concluded that it is im-possible for countries to leave globalization. On the other side, it was argued that it is very well possible to



step back from globalization without endangering the national economy or causing a state collapse. According to one major argument in this line of thinking, economic independence can be overcome by the political decision to leave globalization. Panelist referred to the early 20th century, when states became increasingly interconnected, yet with two world wars, globalization was stopped and the focus on the local and national returned. Disentanglement from globalization and the refocus on the local is often a major demand by populist movements, as the Trump campaign has illustrated with its slogan “Make America Great Again,” promoting a protectionist, anti free trade policy.



Jan Techau, Director, Richard C. Holbrooke Forum, American Academy (right), and Daniela Schwarzer, Director, German Council on Foreign Relations

How to Overcome Populism?

However, as populist movements have been gaining momentum not only in the United States, but also in many European countries, the question arose if populism can be defied. And if so, how to preserve and strengthen the liberal order?

To begin with, throughout the various panels of the conference, participants underlined the necessity of an open dialog. Also panelist demanded to take a close look at claims amongst populist movements instead of denouncing them as illegitimate right away. If all populist demands are considered illegitimate, the perceived “arrogance of the elite” will only be deepened and people will continue feeling voiceless and ignored.

Furthermore, the West needs to be more self-critical and reflect honestly on its strengths and weaknesses. Elites should not whitewash and need to acknowledge that international and supranational institutions, such as the EU, have flaws and problems that have to be addressed. At the same time, elites and politicians need to better communicate the tasks and benefits of such institutions. Panelists argued that politicians on both side of the Atlantic seem to have taken these institutions for granted. Here, the idea of an “elite in a bubble” was outlined, as for them, the benefits of the EU and other international institutions of the liberal order have been clear, yet they have neglected to better explain them to their constituencies.

In addition, participants highlighted the need for a new narrative to include aspects of employment, taxation, and also those of a new, flexible solidarity. If employment opportunities were to improve and if people would benefit from fairer taxation, citizens may begin to realize more the bright sides of globalization. A key to achieving this would be education, which would show people a way to

enhance their skills and knowledge; thus, they would be better equipped to adapt to the realities of industry 4.0 and potentially would feel more integrated and more secure.

In regard to the economic dimension of how to overcome populism, participants also argued that the political middle, the “center” has been shrinking. Parties increasingly are located on the left or right of the political spectrum. Panelists argued that the absence of “Keynesian” policies of increased government spending in times of crisis and diminishing social security also presents a cause for rising populism. If governments were to increase their budget on social issues, such as health, education, and care for the elderly, they could counter the argument of multinational corporations being the only ones to benefit from globalization.

The main goal of all these measures, discussed by participants and panelist throughout the conference, must be the integration of those who feel left behind. How can they participate and get involved in political processes that strengthen the liberal order? Here, the most important aspect identified is to regain trust. Despite the different angles that have been described in the previous paragraphs, the ruling elites in Europe, but also in the U.S. and elsewhere, need to regain the trust of ordinary citizens. This is the key concept when defying populist movements and strengthening the liberal order.

What are the Consequences for the Transatlantic Relationship?

In addition to discussing the causes and counter measures to populist movements, panelists and participants discussed the consequences growing populism will impose on the transatlantic relationship. Does the rise of populism stand for the end of the transatlantic partnership? Panelist also questioned whether we can live in a multipolar world in case of American decline?

Participants argued that a strong transatlantic community is needed in the light of the current political, economic, and security-related developments. Given the scope of current issues, these can only be effectively addressed together. Thus, panelist highlighted the necessity of a close transatlantic relationship while comparing the transatlantic alliance to an old couple, which has been married for decades, but somehow forgotten why. Here, panelists pleaded for a renewal of “vows” in order to remember the benefits and advantages of the union and, as a result, strengthen their partnership.

Clockwise from the right: Mircea Geoana, President Aspen Romania, Philippe Legrain, Visiting Senior Fellow, London School of Economics and Political Science, Jan Techau, Director, Richard C. Holbrooke Forum, American Academy (right), Daniela Schwarzer, Director, German Council on Foreign Relations, and Kurt Volker, Executive Director, McCain Institute and former U.S. Ambassador to NATO



A Common European Foreign and Security Policy

When discussing the future of the transatlantic relationship, the EU plays a central role. During the debates, the hypothesis was articulated that if the EU implodes, the transatlantic community would implode, too. In regard to the upcoming elections in Europe, chances are that further populist movements will be undermining the transatlantic relationship further weakening the links between both continents. Also, from an American perspective, the EU is a difficult partner due to its many actors. Participants repeatedly criticized, especially in regard to a common European foreign and security policy, that the EU is too divided.

A common European foreign and security policy would not only strengthen the EU as an actor, but also the transatlantic relationship, panelist argued.

At the same time, participants questioned whether European countries are in a position to soon agree on such a policy, which would entail the restructuring of military forces and state ministries. In many member-states such steps are seen as surrendering the country's sovereignty. Panelist speculated that some countries, such as Germany and France, might initiate a common foreign and security policy limited to only select European countries, equaling a "coalition of the willing."

In addition, panelist highlighted the necessity to explain the nature of the EU and what it stands for, thus demanding a debate on identifying the unions' goals and objectives. To achieve this, a more critical and self-reflecting debate is necessary, participants argued. The EU and its representatives need to have an honest conversation on its strength and weaknesses, on what it is capable of to achieve and where its limits are.



Clockwise from the right: Ian Kearns, Co-Founder and Member of the Board, European Leadership Network, Annette Heuser, Executive Director, Prof. Otto Beisheim Stiftung, Janusz Reiter, President and Founder, Centrum Stosunkow Miedzynarodowych, former Polish Ambassador to Germany and the United States, and Alexander Graf Lambsdorff, MEP and Vice President of the European Parliament



We are not "Alternativlos"

Throughout the entire conference panelists highlighted the following point: The future of the transatlantic relationship and the liberal order depends on whether we, citizens on both sides of the Atlantic, have the will and the courage to uphold it! We are not "left without choices" (alternativlos). Rather, panelist underlined that it is our choice to fight for the transatlantic relationship and work to preserve the liberal order.

J.D. Bindenagel, Henry Kissinger Professor for Governance and International Security, University of Bonn, former U.S. Ambassador to Germany (right) and Ian Kearns, Co-Founder and Member of the Board, European Leadership Network

Impact of the U.S. Presidential Election

The US election and its impact on the transatlantic community was also a major focal point of the discussions. Both candidates are highly polarizing and American society appears to be more divided than ever. Donald Trump has caused a lot of criticism and uncertainty in Europe, due to his unclear policies and highly disputed political positions. Based on his claim to ‘Make America Great Again’, which encapsulates his protectionist policies, panelist and participants feared these may cause the transatlantic relationship to deteriorate and boost a further decline of the liberal order. Still, participants and panelist emphasized that no matter whoever will be the next U.S. president, political parties and institutions in Europe will continue to closely cooperate and work together with the United States. Nevertheless, in order to secure and strengthen the transatlantic alliance, the majority of participants favored Hillary Clinton over Donald Trump as the next president.

Conclusion

All participants emphasized that the liberal and cultural revolution of the past decade in regard to gender, race, or sexual beliefs granting more rights to more minority and marginalized groups cannot be reversed. We cannot go back in history, was often pronounced on this subject matter. At the same time, participants demanded an increased involvement of citizens to also protect these rights; it is up to all of us to save them. We shall not take them for granted. In order to achieve this, we need to have passion, show conviction, fight for our values and beliefs, and stop the swan songs, which often surrounds the debate and discussions on the liberal order.

Throughout the conference, the point has been made, that the liberal order needs to be questioned or even be-sieged in order to regain its strength. Open and inclusive discussions are a tool to ensure the exchange of ideas and controversial positions and help to rebuild trust. Many participants made it very clear: mistrust in elites and establishment is at the core of the crisis of the liberal order and the major reason for rising populist movements. Regaining the trust of citizens across countries has therefore been identified as the crucial moment when defending the liberal order.

Here, a range of actions can be used: an open dialog with all parts of the society, addressing legitimate claims amongst populist demands, education as a means to better prepare citizens for the ongoing fourth industrial revolution, a new narrative, as well as self-reflection and an honest assessment of current institutions. Yet, the most important lesson formulated at this conference is: It depends on every citizen’s will and courage to defend and strengthen the liberal order –people’s engagement is at the very core of it.





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The Liberal Order under Siege?

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