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Panelist Papers

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Session One

European Regional Security
Panelist Paper

The Missing Link in Europe’s Regional Security Order

Council of Councils Ninth Regional Conference
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Strategic Outlook

Peace and stability in wider Europe are no longer a given. The following factors are likely to be primary sources of insecurity and instability in the region in the next fifteen years:

- a new balance of power caused by a shift in the world's economic and political center of gravity from the northern Atlantic toward Asia, a population explosion in Africa, and the opening of sea lanes in the Arctic; these global dynamics entail strategic uncertainty and a progressive substitution of European countries as the leading military powers;
- technological advances as source of fragmentation and vulnerability in global security; risks include the exposure of critical infrastructures to cybercrime and cyber warfare as well as the effect on access and use of new technologies in inter- and intrastate conflicts, terrorism, state fragility, and trafficking;
- hybrid warfare, that is, a mixture of special forces, disinformation campaigns, and proxies;
- the enduring threat of jihadi extremism, both in the form of the radicalization of disenfranchised people within the European Union (EU) and the reinforcement of terrorist organizations active in fragile countries within Europe’s strategic neighborhood;
- regional conflict in the Middle East and the spillover of intrastate wars in Africa due to various causes, including further political upheaval, the increased power of nonstate actors, economic stress, deteriorating infrastructure, extreme climate volatility, natural disasters, resource shortages (e.g., water or food), and mass migrations.

Some of these factors have already led to a deterioration of the European security order. Russia, in particular, seems intent on upturning the post–Cold War settlement in Europe. Its breaches of neighboring countries’ airspace and violations of international law in Crimea and Donbas, on top of its destabilizing role in protracted conflicts in the wider Black Sea region, have rattled the European security order to its core.

Stretching into Central Asia with a transatlantic link, the Organization for Security and Cooperation in Europe supposedly lies at the heart of this European security order. But beyond the deployment of a token monitoring mission in Ukraine, the organization is held hostage by Russia’s intransigence.

In response, the North Atlantic Treaty Organization (NATO) allies have instilled a renewed sense of purpose into their transatlantic organization by beefing up NATO presence in eastern Europe, as well as NATO’s capacities in dealing with hybrid threats and cyberattacks. But much of this has been strategic posturing. On the back of years of neglect by its European allies, NATO is increasingly suffering from the U.S. domestic political impulse to pull back from the world.
With the traditional security guarantees dissolving, the missing link in Europe’s regional security order is the EU. Unfortunately, years of uncoordinated cuts in defense spending have eroded the EU’s budding role as a security actor in a more fragmented and contested world. Faced with a rapidly deteriorating regional security environment, the EU is now being forced into thinking more strategically. Moreover, Russia’s aggressive foreign policy, a spate of terrorist attacks, the pressures emanating from an uncontrolled refugee and migrant crisis, and the specter of Brexit have also fired the imagination of European citizens so that security has become one of the main political drivers at the domestic level. As action to protect the European way of life has become more demanding, EU member states should inject this political capital in their quest to define a vision for the EU when it celebrates the sixtieth anniversary of the Treaty of Rome in March 2017. If ever there were a time to strengthen the EU’s security and defense arm and balance its global role as an economic power, it would be now.

Toward a European Defense Union

The Common Security and Defense Policy (CSDP) is the weakest link in the European integration project. Long-standing obstacles have blocked further integration, such as differences between member states in threat perceptions and strategic cultures, divergences in intentions and preferences, and, in some cases, lack of mutual trust and solidarity.

EU member states spend a combined total of around €190 billion (US$209 billion) to keep up twenty-eight national armies. Only a handful of EU member states spend 2 percent of their gross domestic products on defense. Even by their own admission, the big EU member states are no longer able to project their military force capacities to meet today’s regional security challenges. Instead of increasing funding to perpetuate existing inefficiencies, member states should cut duplications of capacities, platforms, and systems with low levels of interoperability. A financial framework of €190 billion used in an efficient manner should ensure the EU substantially more value for its money.

The existential crisis in which the CSDP finds itself provides a unique opportunity to achieve greater rationalization and deeper integration in the EU’s security and defense sectors. This should spill over to NATO, too. Whereas the United States opposed the development of distinct defense structures within the EU a decade ago, the establishment of these structures has since become a matter of course. Of the twenty-eight EU member states, twenty-two are NATO allies. Actions to improve the EU’s own defenses would simultaneously strengthen Europe’s influence within NATO and enhance the credibility of the transatlantic alliance, thus preventing it from descending into what former U.S. Secretary of Defense Robert Gates famously described as “collective military irrelevance.”

The Lisbon Treaty demands and permits a great deal more in terms of EU security and defense activities. The EU should use the military as a catalyst for an integral approach to the performance of its treaty tasks geared at conflict prevention, crisis management, and peacebuilding. However, the CSDP will need to become more efficient and effective if it is to simultaneously meet today’s security challenges and promote the EU’s own values and interests. Its tenuous connection to homeland security (i.e., external border control and counterterrorism) should be strengthened as well, so as to allow the military to operate across the blurry boundaries of the internal-external divide. This will be one of the main challenges in implementing the June 2016 global strategy for the EU’s foreign and security policy.1

As suggested in a 2015 Centre for European Policy Studies Task Force report chaired by Javier Solana, the necessary defense integration should ultimately amount to a European Defense Union (EDU).2 This is not the same as an EU army, a federalist dream whereby a single European army would substitute those of the member states. In much the same way as the European Economic and Monetary Union and the new Energy Union are the end goals of full European integration in their respective fields, the EDU proclaims the finalité of EU integration in the area of security and defense. It calls for a unified strategic process, more effective
institutions, an array of more integrated and interoperable armed forces, a common budget, and a single and competitive defense market. In full coherence with existing NATO structures and planning processes, an EDU would form the missing link of a comprehensive European civil-military security architecture.

To that end, an array of recommended policy actions for further cooperation and integration forms the natural steps to connect the dots of the defense debate—strategy, institutions, capabilities, and resources.

- Strategically, the future EDU should focus on a contribution to territorial defense of EU member states complementary to NATO (i.e., below the Article 5 threshold) and a political and military ability to autonomously conduct intervention operations beyond the EU’s borders (i.e., independent of wishes or vetoes from Ankara or Washington).

- Use the treaty basis for permanent structured cooperation to move European defense integration forward with a group of, at minimum, nine like-minded states. Belgium, the Czech Republic, Estonia, France, Germany, Hungary, Italy, Luxembourg, Portugal, Spain, and even neutral Finland have already declared their support for such an initiative to take shape after Brexit. Implementation of this plan should come with:
  - an upgrade of the EU’s institutional and operational architectures (e.g., full-fledged formations of a council of defense ministers and a security and defense committee of the European Parliament, the creation of permanent EU military headquarters in Brussels); and
  - common funding for EU operations (e.g., joint financing, trust funds), and the introduction of a “European semester” to member states’ defense budgets and capability development, thereby enhancing mutual transparency and accountability.

- Re-galvanize the EU’s industrial and technological agenda in order to create a truly European defense technological and industrial base as something more than the sum of its national parts, with market forces helping to consolidate both the demand and the supply sides. This should be supported by giving full implementation to the European Commission’s proposals, in particular:
  - funding of dual-use projects to find new synergies between military and civilian research;
  - support to European defense research; and
  - completion of the single market for defense and security.

Increased unity is the only road to greater EU resilience in a more volatile region. Whereas the political momentum generated by the Brexit referendum has resulted in a rally around the EU flag, the question is how political dynamics are likely to affect security cooperation between member states beyond the potentially disruptive electoral year of 2017. A lot is riding on the French presidential elections in spring and the German federal elections after the summer. Assuming that cooler heads will prevail over the politics of anger, the EU will take incremental steps toward an EDU. This does not, however, mean that the EU will be quick in filling the security vacuum that Russia has created.

Until 2024, and probably beyond, managing the relationship with Russia will represent a critical strategic challenge and be a balancing act. A consistent and united approach should remain the cornerstone of EU policy toward Russia. At the same time, the EU will have to enhance the resilience of its eastern neighbors. The new EU global strategy is right in making substantial changes in relations with Russia conditional upon full respect for international law and the principles underpinning the European security order, including the Helsinki Accords and the Paris Charter. Until that happens, selective commitments in areas of overlapping interests—including the Arctic, maritime security, and cross-border cooperation—should be the name of the game.
Panelist Paper

European Regional Security

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Presently, every topic on Europe seemingly questions its capacity to deal with problems. These include, but are not limited to, the economic crisis, unemployment, the populist challenge, Brexit, Russia’s assertive posture, Turkey’s authoritarian turn, and terrorism at home and its roots abroad. It appears that Europeans have to tackle far more crises than they can handle. At the core of many of these crises lie disagreements among European countries on which course to chart. The debate on European security does not evade this problem. In many cases, geography seems to be an appropriate way to explain the divisions among Europeans. However, geography merely offers a partial explanation for some of the cleavages in Europe; for instance, on Russia’s assertiveness and Islamist terrorism. Two other elements also have a strong role: national ambitions in foreign and security affairs and the varying expectations of the role multilateral institutions should have in crisis management.

What National Ambitions?

A founding father of the European Union (EU), Belgian politician Paul-Henri Spaak once said, “Europe consists only of small countries, some of which know it and some of which don’t yet.” Whether this has turned out to be true today is a matter of debate, but this has not prevented European states from wanting to play a role on the world stage. Yet, it is true that many of the smaller countries have accepted that they are small and that they can, at best, have a marginal role on their own. This has affected not only their capacity and willingness to act in the world but also their global strategic outlook. Simply put, such countries recognize that their national capacity is insufficient for a sustainable foreign security and defense policy, and so they rely on external actors. In cases involving territorial integrity, the United States is still perceived as the ultimate security guarantor. In other cases, multilateral organizations are considered the primary forums to discuss foreign and security policies. This has increasingly been the case for the EU.

Today, few countries could be said to want to participate in global security efforts. This is evident when looking at the number of troops sent to UN missions, budget contributions to UN bodies, or even the focus of the EU and the North Atlantic Treaty Organization (NATO) on its eastern and southern regions in the past few years. Some of the larger countries, such as France and the United Kingdom (UK), still have some capacity and willingness to take on responsibilities in other parts of the world. Some of the smaller countries, such as Denmark, have also been consistent in punching above their weight in joining forces with France, the UK, and the United States in foreign operations.

It would be foolish to expect all European countries, regardless of their size and intrinsic capabilities, to play hardball on the international stage. Yet, the tendency to look up to others has made them only focus on a few priorities. It has had several consequences. First, the already limited political, financial, and intellectual
resources have been devoted to a narrow set of issues. It makes sense for countries to fix ambitions based on resources; in most cases, the focus lies in their immediate neighborhood. However, as the second consequence demonstrates, it has often led to a decrease—in gross domestic product terms—in resources for foreign and defense policy. This does not mean that these countries are not open to the world—twenty-three EU countries have some diplomatic representation in Indonesia, for instance—but their global footprint is kept to a minimum, with an emphasis on consular and commercial issues at the expense of political and security affairs. The focus on a few priorities also creates a disproportionate gap among European countries, whereby France, Germany, and the UK have consistently been spending more than 60 percent of Europe's aggregate defense budget. Lastly, it creates situations where countries have vested interests and strong positions on a few issues and remain on the sidelines for most others.

The diversity in national ambitions across Europe is a genuine challenge. It weakens Europe's collective capacity to share a common threat assessment and to agree on ambitious collective objectives and on options to tackle crises and threats. While European countries may all consider Russia's aggressiveness a serious challenge, they differ on evaluating how great a challenge it is and, even more, on how to adapt their relations with Russia. The same applies to terrorism. All European countries acknowledge the serious threat that terrorism poses to Europe's security. Yet, their appreciation of the risks varies according to how high the terrorist threat is in their countries, which affects the extent of human and financial resources they are willing and able to devote to the issue. Multilateral organizations could be the platforms necessary to iron out the differences.

The Role for Multilateral Organizations

Multilateral organizations allow for the development of policy compromise and help prevent possible misunderstandings between international actors. There are great expectations for multilateral organizations to deliver: for instance, NATO should guarantee the territorial integrity of Europe, the EU should solve the multiple crises in its region, and the Organization for Security and Cooperation in Europe (OSCE) should help mitigate tensions among its eastern members—although it is fair to say that the OSCE attracts less interest than the other two. Nonetheless, two main issues influence how effective multilateral institutions are in organizing the emergence of a sustainable consensus and acting on identified crises or conflicts.

First, European countries view international organizations differently. Broadly speaking, it is possible to categorize these countries into three groups. The first group includes those that assert that multilateral organizations should lead the way. They believe broad membership institutions are the ones that influence crisis resolution or protect the countries they represent. A multilateral organization carries more weight, and the collective is always stronger than the individual. The second group includes countries that do not have a strong position on a specific issue, so they rely on the multilateral organizations to take a stand. It should be noted that the first two groups are not mutually exclusive. The third group consists of countries that still enjoy some capacity to weigh in on international issues at their own discretion. They want multilateral institutions to play a strong role, but they also seize opportunities, as individual countries, to impress on the global concert of nations. The membership of each group is not set in stone, and countries can move from one group to another depending on their domestic politics or security environments. However, the first two groups share a proximity in seeing multilateral organizations as the primary vehicles to demonstrate strength on the international scene. The last group accepts that other forums—ad hoc, bilateral arrangements, and so on—could be more suitable, depending on the situation at hand.

Second, despite clear expectations to have an effect on resolving conflicts and crises, international organizations are not always considered up to the task. The reasons are usually threefold. First, internal consensus is so difficult to uphold that it restricts the organizations' capacity to act. Second, and often the fallout of the first reason, ad hoc formats are favored. Third, international organizations are not always perceived as the most obvious vehicles to solve crises. The Ukraine crisis is an example: NATO could not lead the way in resolving the crisis, considering Russia's opposition to it; the OSCE was almost revived from
its dormant state but lacked the necessary clout; and the EU could have been the honest broker, as it was on Iran, but Russia did not want it in the negotiations since it was perceived as a hostile party. Moreover, Europeans were too divided on the issue, aside from standing united on sanctions. Hence, the Normandy format, comprising France, Germany, Russia, and Ukraine, was developed to manage the tensions in Ukraine. The fight against the self-proclaimed Islamic State bears some resemblance: the United States did not find the urge to bring the issue to the NATO table and simply mounted a coalition of the willing without much resistance from its European partners.

The Effect on Europe’s Security Debates

Today, Europe is faced with a variety of challenges, almost all of which require a comprehensive approach that includes the mobilization of economic, diplomatic, financial, social, military, and security tools. This makes the crises difficult to handle for the Europeans because no organization has such a diverse toolkit. In other words, the only possible way out is to use all the tools that work. In many cases, it may mean that organizations have to cooperate with one another despite the obstacles that exist and that ad hoc groupings can play a role that these institutions cannot embody. For instance, the EU, NATO, and OSCE have heavily mobilized on the conflict in Ukraine, but the political dimension required the creation of an ad hoc forum.

The crucial difficulty, however, is that those ad hoc groupings are considered a step backward. The natural course should indeed be that international organizations carry the weight of their member states. This has proved to be complicated in Ukraine, for instance, where Russia granted to the EU a geopolitical status that it did not itself know it actually had. Moreover, member states are unlikely to let these organizations take the lead when primary national interests are at stake.

Besides, Europe’s capacity to act is diminished by its decreasing transformative power, even within its borders. To its east, Georgia, Moldova, and Ukraine seem keen to increase their ties with Europe, especially with the potential prospect of joining the transatlantic structures. To its south, no such prospect exists; approximating their economic, political, security, and defense policies with European patterns is not the end goal for most of those countries. This puts Europeans in a thorny dilemma. On the one hand, they can continue to try to change all the countries in and around the region regardless of these states’ intention to get closer to Europe; this approach has not proved successful in the past. On the other hand, they can focus more resources on the countries where they can make a difference, which will be a small list. The more complex question concerns countries where both sides have common interests, such as antiterrorism or energy security, but these countries resist Europe’s quid pro quo formula of cooperation whereby EU is only willing to support countries if they become more democratic. Europe seems to have made a choice, at least for now, with its new focus on resilience. It emphasizes the need for stability in its neighborhood, not necessarily the emergence of a ring of democratic countries.

Nonetheless, this dilemma remains acute in the EU’s eastern region due to Russia’s assertiveness. The Europeans have managed to remain united on sanctions, but this cannot be a long-term policy. Finding consensus on Russia will likely not be possible in the short term for three reasons. First, Europeans disagree on Russia’s intentions, which inevitably skews the policy debates from the start. Second, while it may be impossible to return to business as usual, no one knows what a new normal could look like. Third, it appears that Europeans want to find a comprehensive, almost black-or-white new normal with Russia, as if it is not possible to envisage a more nuanced approach. The new approach would consist cooperation on subjects of common interest and opposition on those where interests clash. As long as this debate remains sensitive, Europeans will find it difficult to make progress on their relationship with Russia—not that Russia has a clearer picture of the kind of relations it wants with the rest of Europe—and the debate will also affect Europe’s relations with its neighbors in the east.
European regional security is at a stage of serious transformation. After events in Ukraine, the lukewarm relations between the European Union (EU), the North Atlantic Treaty Organization (NATO), and Russia have become almost hostile.

The attempt to increase cooperation among the three goes back to 2002, when the NATO-Russia Council (NRC) was created. The NRC adopted substantial programs of activities to strengthen security, antiterrorism, and anti–drug trafficking efforts.

Nevertheless, besides peacekeeping and civil emergency planning—such as terrorism preparedness and humanitarian and disaster response—strategic security issues remained exclusively in the domain of NATO, out of bounds for Russia. Furthermore, the decisions of the NRC were not legally binding. When NATO expanded in 2004, it moved closer to the Russian border, with the largest NATO bases built in Bulgaria and Romania. Antiballistic missile installations also appeared in the Czech Republic and Poland. This resulted in worsening relations between the EU and NATO and Russia.

After Vladimir Putin's speech at the Forty-Third Munich Conference on Security Policy in 2007, there was one more attempt to rebuild relations. In 2008, then Russian President Dmitry Medvedev sought to promote a new European security treaty. It was aimed at creating a comprehensive and undivided Euro-Atlantic security space. However, European countries ignored it. They announced the Corfu Process to study the proposal but failed to get together seriously even once. Medvedev attended the 2010 NATO Summit in Lisbon, and a timid rapprochement between NATO and Russia was declared. But after the events in Libya and Ukraine, the mutual trust and confidence evaporated.

The most recent NRC meeting, held after the Warsaw NATO Summit this summer, registered the parties' differences and stressed the necessity of dialogue. However, the prospects of such dialogue, at this particular moment, do not look promising.

First, NATO and Russian military movements in the Baltic region may encourage miscalculation, with potentially grave consequences. NATO's decision to deploy four battalion-sized battle groups in Estonia, Latvia, Lithuania, and Poland did not surprise Russia. Early this year, Russia announced the creation of three new divisions (twelve battalions) on its western border. As a show of force, the Russian military may deploy Iskander missiles in Kaliningrad. Moreover, military modernization gave Russia a new capability for high intensity operations, enabling anti-access/area denial (A2/AD) tactics. By placing long-range anti-air,
antiship, and surface-to-surface missiles in Kaliningrad, Russia can deny NATO forces the use of sea and air surrounding the Baltic states and Finland. Meanwhile, Moscow would attentively watch the military developments in the Black Sea area.

Second, NATO’s decision in Warsaw to elevate cyberspace as an official domain of warfare, and thus a focus of cooperation, risks increasing tensions. Enhancing cyber defense without communication with Russia is fraught with critical and unexpected consequences. Keeping this issue out of the NATO-Russia agenda would not be in the interests of either side, given the possible risks of activating Article 5 of the North Atlantic Treaty in response to NATO’s suspicion of a cyberattack from Russia.

Third and finally, NATO’s cooperation with other countries is most important. Although there seems to be less sensitivity about Montenegro’s membership, Russia’s response to NATO’s expanding influence should not be underestimated. In addition to closer cooperation between NATO and Serbia, a close friend of Russia’s, emerging trends of a revival of NATO’s cooperation with Finland and Sweden have also caught the Kremlin’s attention—Finland in particular due to its close historical ties with Russia. Even without considering these states’ tentative affiliations with NATO, Russia will be closely watching such trends as well as the summit’s resolve to further strengthen cooperation.

The following can and should be done:

- Resume substantial consultations within the NRC, which was officially blocked by NATO after the annexation of Crimea.
- Resume the diplomatic consultations on the minister of foreign affairs–level between NATO and Russia on confidence-building measures and new security architecture in the region.
- Continue the Minsk process, preferably in the Normandy format.
- Encourage an active and constructive role of the EU, Russia, and the United States in the Syrian crisis.
- Strengthen the role of the Organization for Security and Cooperation in Europe in finding solutions to the problems outlined above.
- Support participation of academic circles, think tanks, and nongovernmental organizations in the search of creative ideas.
Session Two
Migration as a Challenge for Regional Security
The Middle East has always been deeply affected by migration and its different dimensions. According to the UN High Commissioner for Refugees, Middle Eastern and North African countries host 39 percent of all displaced persons worldwide. This is in stark comparison with Europe, which hosts 6 percent, and where migration is at the center of current political debates. Iran, Jordan, Lebanon, and Turkey, all in the Middle East, are among the top six countries in the world in terms of hosting refugees. In Jordan and Lebanon, where one in three residents is classified as a refugee, migration has put tremendous stress on the administrative and security capacities of the state. King Abdullah of Jordan warned in February 2016 that his country was at a “boiling point” and that “sooner or later, I think the dam is going to burst.” He went on to say that, for the first time, Jordan “can’t do it anymore.” In addition to the Syrian refugees who have entered the country in large numbers and many Palestinians who remain in Jordan as permanent refugees, Jordan also hosts significant numbers of Iraqi refugees who arrived in Jordan as a result of the 2003 invasion and subsequent turmoil. Moreover, there are 5.2 million Palestinian refugees still living in the 60 camps administered by the UN Relief and Works Agency.

Of course, not all migrations to the Middle East have been due to conflicts. Millions of migrants have come to the oil-producing Arab Gulf countries in search of a better life and economic opportunities. Both sides have benefited from this process. The Gulf Cooperation Council (GCC) countries gain access to cheap labor that contributes to their national development, and the migrants have, to some degree, been able to secure better economic lives for themselves and their families back home. However, migration has its problematic aspects, with many migrants finding themselves exploited and not sufficiently protected by national or international labor laws. Now, the GCC countries are under stress as the economic downturn due to a decline in oil prices has led to the departure of many economic migrants from the region. In addition, the Arab Gulf governments are under pressure to fill labor market vacancies with their own young population and reduce their reliance on imported labor.

Security considerations have prompted the Arab Gulf countries to establish strict policies with regard to refugees. While refugees are provided all required social services, their stay is considered temporary, and they are not encouraged to stay on once conditions in their home country allow for return. The Rafha camp that was established in Saudi Arabia in 1991 in the wake of the first Gulf War is one example. The camp originally hosted more than thirty-three thousand Iraqi refugees. Of that total, twenty-five thousand refugees were resettled in third countries, and the rest were repatriated following the fall of the Saddam Hussein government in 2003. In this context, the Arab Gulf governments have always worked on the premise that most refugees want to be able to return as soon as possible, but that they have the opportunity to make a living in the meantime. For example, Saudi Arabia has extended visas to thousands of individuals from Syria, allowing them to be employed and take advantage of existing social services. The same system...
applies in other GCC countries. Here, instead of accepting these persons as refugees, they are treated as regular migrants.

There is little argument that, from the perspective of a refugee or an economic migrant, migration is a transnational issue that cannot be addressed solely on a national basis, in terms of the country of departure, transit, and arrival. To be sure, there is a demand for broader regional and international cooperation and coordination. At the same time, rather than being seen as a sole cause, migration mostly reveals or exacerbates issues that already exist in a host society. For example, it can be argued that the intensification of nationalist feelings in Europe and the West is rooted more in the problems generated by economic liberalization and its consequences on Western economies in terms of unemployment and decreasing salaries and social benefits rather than just increased migration. Similarly, violent extremist attacks are often linked to domestic issues in the perpetrators’ countries, such as real or perceived growing socioeconomic inequalities, the spatial clustering of poverty, and persistent unemployment. These issues suggest a need for more focus on local conditions as causes for migration and refugee flows.

Recommendations

Given some of the issues listed above, the following policy prescriptions can be put forward:

- **Provide better financial and institutional support to transit countries.** The internal security situation in countries like Jordan and Lebanon has been strained by the past and current influx of refugees. More help needs to be extended to such countries so that they can improve their institutional and administrative capacities that will enable them to handle the large numbers of incoming refugees. The establishment of a regional fund through which assistance can be distributed should be considered.

- **Review the provision of development assistance for origin states with the root causes of migration in mind.** Much of the current development assistance that is being provided does not produce the intended results. In particular, development assistance should be structured in a way that addresses the root causes of displacement. With the average duration of displacement now up to seventeen years, a better approach to the relationship between development assistance and migration is needed.

- **Redouble efforts to resolve the conflict in Syria, given its consequences for the entire Middle East.** Without a political settlement of the violent conflict in Syria, the humanitarian efforts throughout much of the Middle East will prove to be only short-term, stopgap solutions. There needs to be greater involvement on the part of the Western countries and better coordination among the Arab Gulf states, Turkey, and the West on Syria. A sustained effort to implement a political transition, based on the statement reached at the Geneva I Conference on Syria, is required.
Panelist Paper

Migration as a Challenge for Regional Security

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Uncontrolled and massive migratory flows pose humanitarian and security challenges to global peace and stability. The movement of refugees and migrants today is a global humanitarian crisis the likes of which has not been seen since World War II. The complexity of the problem and its transnational nature necessitate international solutions, and for that effective cooperation and genuine solidarity are needed.

Massive migratory flows have serious repercussions. Europe is a case in point. In 2015, over one million migrants made perilous journeys across the Mediterranean Sea to reach Europe. The migration crisis has contributed to a mood of desperation and disarray regarding the future of the European Union (EU), further compounded by the United Kingdom’s decision to leave the EU. EU countries are deeply divided on the refugee crisis and lack a concerted and coordinated approach in their migration and asylum policies. Right-wing extremism, both in politics and society, is rising. Consequently, as a response to the migration crisis, several countries have introduced more restrictive migratory policies and enacted harsh measures against migrants.

Labeling migration as a security threat results in more of restrictive policies. Restrictive policies may be easy to enact and therefore seem preferable for states, but closing borders and building fences are temporary measures that ignore the core of the issue and do not change the fundamental reasons for irregular migration. Thus, these policies will be ineffective when countries are faced with large migratory pressures at their borders. Restrictive policies also make it extremely difficult, if not impossible, for genuine asylum-seekers to apply for access to safe countries. Furthermore, restrictive policies often push migrants to choose more dangerous ways of crossing borders. This vicious circle should be avoided.

A paradigm shift is needed. Labeling migration as a security threat is dangerously misleading; therefore, migration should not be considered a security threat per se. First, there is little evidence that there is a greater concentration of terrorists, potential terrorists, or criminals among migrant populations than among local populations. Second, as history has proven, migration, if properly and effectively managed, can boost development and contribute to the countries of origin through workers’ remittances and to destination countries by supplying needed labor force. The fifty-five-year long story of the Turkish community in Germany is a good example. They have become an integral part of German society and have contributed to Germany’s social and economic development for over half a century.

Forced migration cannot be managed on a unilateral basis by individual states. It requires meaningful cooperation between countries of origin, transit, and destination. Geographical proximity should not be used as an excuse for shifting all responsibility to the countries in regions fraught with conflicts. Due to the war in Syria, 4.8 million Syrians have sought refuge in neighboring countries. According to the latest UN
figures, Jordan has taken in 700,000 Syrian refugees; Turkey has taken in 2.7 million; and Lebanon has taken in 1 million, making it the country with the highest per capita population of refugees in the world. These countries are bearing huge financial, infrastructural, and socioeconomic costs. In Turkey, the government and non-governmental organizations have spent nearly $25 billion to meet the Syrian refugees’ needs, without tangible assistance from the international community. Besides safety and protection, Turkey attributes the utmost importance to the well-being of Syrians. The refugees are provided with food and non-food items, health care and education services, psychological and social assistance, and vocational training. Turkey has also recently enabled Syrians to enter into the labor market as an avenue to improve their living standards. Turkey deploys every effort to contribute to the stability of the region and is ready to cooperate with all relevant parties to overcome the migration crisis.

International cooperation and burden sharing is needed more than ever to ensure the safe, orderly, and humane treatment of migrants, refugees, and displaced persons. The joint European Council-Turkey statement of March 18, 2016, is a good example of burden- and responsibility-sharing regarding the migration crisis. Turkey’s efforts have generated a deterrent effect, preventing an estimated half a million irregular migrants from reaching the EU in the last six months. So far, the agreement has been effective in preventing the loss of lives, breaking the migrant-smuggling networks, and replacing irregular migration with legal migration. For the durable success of such cooperative initiatives, mutual commitments should be honored.

Policy Proposals:

- First, the causes of migration should be examined and defined. A sustainable solution to migration and refugee issues can only be attained if the root causes, such as wars, conflicts, and economic deprivation in many of the source countries, are addressed. While the search for a better economic situation is a primary driving force of global migration, security concerns due to conflicts causing today’s forced migration crises. Sustainable responses to migration challenges can be improved if future factors and phenomena such as climate change are managed, or if crises such as natural disasters or health epidemics are prepared for or prevented.
- Second, the global crisis should be acknowledged: while the political crisis in the Mediterranean Basin continues to cause a massive wave of forced displacement, the flow of migrants and refugees does not stop there. Dramatic events in the Bay of Bengal, the Gulf of Aden, the Horn of Africa, and eastern Europe show that migration crises loom larger and longer than previously assumed. Given the complex nature of the migration crisis, international cooperation and solidarity are indispensable in preventing and overcoming its challenges.
- Third, the source, transit, and destination countries should develop a new model of thinking and cooperation; the current way of looking at humanitarian assistance cannot provide the long-term response needed. It is clear that migrants need more than short-term emergency strategies. They also need a secure future in which their rights are respected and they are able both to benefit from and contribute to their host country’s development. A perception of charity is not enough to make a change. International assistance has to be seen as a long-term investment for collective security, peace, and prosperity. Whether one is a donor, recipient, or both, one shares a responsibility toward increasingly interconnected societies.

The new model of thinking and cooperation should include:
- providing protection for those who need it so that genuine asylum-seekers can obtain their rights as enumerated in relevant international treaties; granting temporary protection could be another option for many destination countries that have internal political concerns regarding granting permanent refugee status to asylum seekers, which will enable national leaders to explain to the concerned public that once the situation returns to normal, refugees will return to their home countries;
- developing functional, timely, and equitable resettlement programs for refugees;
- giving tangible financial aid for refugee-hosting countries that struggle with large numbers of refugees;
- raising awareness for the need of a comprehensive and sustainable migration policy and burden- and responsibility-sharing;
- developing more legal channels for economic migrants. Many of the destination countries are in need of not only skilled but also semi-skilled labor; policies should be made to match the demand and supply sides of economic migration. At the same time, addressing economic instability and poverty in the least developed parts of the world would decrease the number of economic migrants. The ideal scenario is to create the necessary conditions for peaceful and prosperous existence in would-be migrants’ home countries, which could be done by increasing financial and humanitarian aid as well as direct investments; and
- devising a mechanism to share best practices.

Leading nations should be at the forefront and set examples for the rest of the world. Adopting these measures will also eliminate migrant smuggling and human-trafficking networks that are a threat to law and order.

All of these policies should go hand in hand with policies addressing security challenges. Integration policies should be stepped up, and discrimination, racism, and xenophobia in receiving countries and countries of origin should be counteracted. Insufficient integration might push those caught between two cultures in search of an identity and a sense of psychological and ideological comfort, into radical tendencies. The issue of radicalization of young refugees also deserves special attention. In this respect, education is a vital instrument, and increased access to education and employment should be facilitated. Also, to succeed with integration policies, host societies should be more hospitable toward the migrants.

In summary, migration is not directly a source of insecurity. Its relationship with security depends on how it is tackled. Human security, particularly of refugees, and the security of the states are inseparable and interdependent.
Session Three
Regional Conflicts with Global Implications:
The Fight Against Islamist Terrorism in the Middle East
Panelist Paper

Regional Conflicts with Global Implications: The Fight Against Islamist Terrorism in the Middle East

Council of Councils Ninth Regional Conference
October 30–November 1, 2016
German Institute for International and Security Affairs, Berlin, Germany

Abdulaziz Sager, Gulf Research Center

Terrorism is a global phenomenon. Combating the threat of terrorism demands close international cooperation. In theory, almost all countries agree on the need for such cooperation, but there have been only weak efforts to bring about such cooperation. Furthermore, efforts to address issues such as radicalization or terror-financing have fallen well short of internationally stated aspirations. Equally, there has been little success at the global level in dealing with the systemic drivers of radicalization, such as the numerous conflict lines in the Middle East, political marginalization within societies, and the poor state of governance that hampers the building of cohesive and stable state structures.

Focusing primarily on the role of international and even regional organizations in combating terrorism, however, may not be the best way forward. The effectiveness of current international efforts, through institutions like the Global Counterterrorism Forum, has been limited. While several resolutions have been adopted, their actual impact has not been as had been hoped for. Overall, a specific obstacle remains: there is still no agreed upon definition of terrorism in international law. Also, there is no agreement on proper counter-narrative or counter-content strategies to cyberterrorism. For example, there is no agreement on how to restrict the extremist groups’ use of social media by for recruitment purposes.

There is a notable absence of international cooperation in some of the most pressing conflicts in the Middle East. On Syria, the United States, the Gulf Cooperation Council states, and others firmly believe that the Bashar al-Assad government bears the primary responsibility for creating an environment in which radicalization and extremism have grown and flourished. Without a transition from the Assad government, there can be no solution to the challenges presented by the self-proclaimed Islamic State and other extremist groups. Iran and Russia, on the other hand, believe that the survival of the Assad government is necessary to combat terrorism, as anything else would throw the region into further chaos. These two opposing positions about the root causes of the Syrian problem have prevented any constructive political solution from being implemented and have exposed the severe shortcomings of current international cooperation. Indeed, these opposing strategies have led to different forms of competition on the battlefield and a certain degree of blowback, with extremist groups benefiting from the lack of a political process and therefore able to promote themselves as the only viable alternative left.

What seems evident is that international institutions are far removed from the local environment in which terrorist activity breeds, grows, and is planned. As such, the focus on enhancing international cooperation in the fight against terrorism is not necessarily the right way forward. Furthermore, strategies that entail regional cooperation also are not the most effective way through which to move forward. Religious institutions like Al-Azhar in Egypt or the Organization for Islamic Cooperation in Saudi Arabia do not
currently have a role in mitigating terrorist threats or in reaching out to the current generation involved in such activities. Statements given by the leaders of such institutions are simply not being listened to. In this context, the term Islamist terrorism becomes problematic. Many of the individuals involved in terrorist activities done in the name of Islam, including those involved in terror acts in Europe, have never read the Quran, and most have engaged in practices that Islam specifically prohibits. In this context, Islamist terrorism becomes a convenient umbrella term but one that does little to tackle the actual issue at hand. Moreover, Muslim-majority countries have been as much the victims of terrorist operations as they have been the sources.

It can be argued that the current process to resolve issues is not working because it does not target the actual cause of the problem. A proper counterterrorism strategy can simply not be built around a one-size-fits-all policy approach. It requires a strategy customized to the specific circumstances prevalent in the local environment. In addition to some broad agreement at the international level, there is a need for each country and society to develop and enact its own policies that can best deal with the situation on the ground. Strengthening local response mechanisms would be a better alternative approach than putting international cooperation at the forefront.

**Policy Recommendations**

In light of the above, more effective security strategies that can assist in reducing the spread of radicalized ideologies should do the following:

- **Place emphasis on and increase investment in local counter-radicalization programs.** There are several examples in the Middle East of counter-radicalization programs aimed at root causes that prevent continued indoctrination and provide a more lasting solution to the issue of extremism. These programs include the Mohammed Bin Nayef Center for Counseling and Care Center, in Saudi Arabia, and the Hedayah, an international center for countering violent extremism, in the United Arab Emirates. These initiatives have proved to be successful in much of their work. In order to support such efforts, international institutions and governments can work together through organizations like the Global Community Engagement and Resilience Fund to continue building a platform for an exchange of experiences and best practices. Counterterrorism is a global responsibility, but the work starts at the local level.

- **Continue efforts to improve and expand intelligence cooperation among countries.** Only through constant and efficient exchange of information, advice, and shared experiences can terrorist activities be better countered and prevented. Intelligence cooperation is also needed to identify potential terrorist suspects and penetrate the small groups perpetrating acts of terrorism. While there have been improvements in this area, more can be done to improve cooperation.

- **Bring about a political solution to the conflict in Syria.** The longer the conflict in Syria continues, the longer the appeal of extremist groups will last. There is an urgent need for a better coordinated strategy, especially among the Arab Gulf states, Turkey, and the Western countries, to push for a solution within the framework of the Geneva I process.
Panelist Paper

Regional Conflicts with Global Implications: The Fight Against Islamist Terrorism in the Middle East

Council of Councils Ninth Regional Conference
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The International Response to Terrorism

The international response to terrorism has long been substantial. Terrorism and state sponsorship of terrorism have been on the UN Security Council agenda since the late 1980s and were subject to numerous Chapter VII resolutions that imposed sanctions and authorized the use of military force (e.g., in Afghanistan, Libya, and Sudan). Since the late 1990s, that response has become more complex as the UN Security Council Resolution 1267 sanctions regime against al-Qaeda promoted major transformations in the international financial sector as means to implement financial sanctions against al-Qaeda and its supporters. These sanctions were effective in undermining al-Qaeda’s well-established revenue stream and contributed to the fragmentation of the organization after the North Atlantic Treaty Organization’s authorized invasion of Afghanistan.

More recently, sanctions were adjusted to address the self-proclaimed Islamic State's different sources of revenue in Iraq and Syria. In these countries, direct military engagement with the Islamic State has been underway since 2014, with Kurdish militias in the north, the Iraqi and Syrian armies, foreign special forces, and local and regional armed groups. With the arrival of Russian forces in Syria and a U.S.-led coalition, and together with a concerted effort on the part of the Iraqi government, major territorial losses for the Islamic State happened in 2015 and 2016. According to U.S. officials, as of mid-2016, the group had lost 47 percent of the territory it once controlled in Iraq and 30–35 percent of its fighters. However, this loss of fighters is offset by the continued flow of foreign terrorist fighters into the region. It is estimated, as of July 2016, that the Islamic State commands up to thirty thousand fighters.

In part as a result of these developments, the Islamic State began to emphasize attacks outside Iraq and Syria, either through individuals traveling or returning on their instructions or through others acting independently but under the broad inspiration of the Islamic State. The threat posed by the increasing number of foreign terrorist fighters returning to their countries of origin continues to increase and concern the UN Security Council. According to the 2016 Monitoring Team report, it is estimated that 10–30 percent of foreign terrorist fighters who have traveled to conflict zones have returned, although some of them did so due to disillusion with the Islamic State, not to conduct terrorist attacks.

In spite of the ongoing strategic competition between them, al-Qaeda and the Islamic State have, at times, collaborated on a tactical level, and both have taken advantage of the continuing political and security situations in Libya and Yemen to establish or broaden their presence in the countries and gain access to new
sources of arms and funding. In Yemen, an attractive area for Islamic State expansion, al-Qaeda in the Arabian Peninsula—one of the most effective al-Qaeda franchises—has been able to establish control over substantial territory. In West Africa, Boko Haram continues to operate but has struggled to maintain territory due to pressure from Nigerian and other forces.

In 2016, the Islamic State’s financial situation deteriorated, largely due to air strikes on oil-related infrastructure and actions taken by the Iraqi government to decrease liquidity in areas and sectors controlled by the group. This has led to a decline in the group’s production of oil—around 30–50 percent since 2015—and in salary cuts for its fighters. Although the group is still able to obtain substantial income from taxation or extortion, allocation of resources—between governing controlled areas and funding its war machine—has become more difficult. The group has thus sought to decentralize, providing start-up capital to some of its affiliates to ensure continuity of the group in case of a military defeat in Iraq and Syria.

In this sense, one should be careful with an excessive territorialization of Islamic terrorism in the Middle East. Terrorism is a global problem most often prompted by local causes—in spite of the branding of the Islamic State as following in the steps of al-Qaeda as a world franchise. In Europe, terrorism is very much homegrown, partly as a result of unsuccessful integration strategies in the decades since decolonization. In East Africa, al-Shabab has continued to focus on national and regional issues, centering its attacks on Somalia and countries that contribute troops to the African Union Mission to Somalia. In Libya, the Islamic State continues to be seen as an outsider and has been unable to significantly extend its territorial presence due to military setbacks. Local motives of terrorism are also critical to understanding threats in the Arabian Peninsula, South and Central Asia, West Africa, and Yemen and the emerging problems in the Sahel and Southeast Asia.

The Problems with the International Response

While the international response to terrorism has been, as outlined above, arguably able to weaken the Islamic State in Iraq and Syria, the current approach is critically problematic for several reasons. The shape of the current response undermines the system of collective security, raises questions about the adequacy of international security institutions, and brings about grave consequences to international law as well as to civilians in conflict zones.

The UN Security Council was designed to deal with crises most of which have a conceivable end point or resolution. The significant expansion by the Security Council of individual targeting in the Resolution 1267 sanctions regime was understandable, particularly immediately following the attacks of September 11, 2001. The current counterterrorism regime, however, has evolved into the realm of the permanent exception. Open-ended asset freezes and prohibitions on travel, with no termination of the ongoing conflict in sight, have created a situation in which measures taken at a moment of exception have become de facto permanent confiscations, not temporary freezes of individual assets. The Security Council increasingly acts like a police force, and the geographical reach of the regime and its designations is now global, as sanctions have expanded to include listings associated with Boko Haram in Nigeria and al-Shabab in Somalia and Kenya, among others.

Unlike other conflict-related issues on the Security Council agenda, it is unlikely that terrorism, and therefore global counterterrorism efforts, will cease. This has led to ideas that counterterrorism policy against individuals supporting acts of terrorism might be best managed by a separate body rather than by the Security Council, which, after all, is not a policing body. A subsidiary body or a separate agency, perhaps modeled in part after the International Atomic Energy Agency or the Organization for the Prohibition of Chemical Weapons, could address what, in effect, is an ongoing problem and more effectively handle due process concerns related to targeting, sensitive information, and assessments, while potentially being both more accessible and accountable for its decisions.
This institutional inadequacy is manifested in the inherently tense relationship between counterterrorism and the international rule of law, and between the often legitimate challenges to the use of sanctions—especially when used unilaterally or autonomously—and targeted assassinations. The exceptional prerogatives of the Security Council under Chapter VII are legitimate only insofar as they are exceptionally utilized. Gradually, as these measures enter the realm of the “permanent exceptional” and continue to resemble policing activities, challenges to undermine the Security Council’s political authority and practical operational capability are likely to emerge. Concerns with fundamental standards in due process rights that emerged in the early 2000s resulted in the establishment of the important Office of the Ombudsperson, but those rights continue to be limited to terrorism cases and disputed in national and regional courts worldwide. These judicial processes constitute the most robust challenge ever to Security Council authority in domestic courts and constituencies, establishing dangerous precedents with immense implications for the Security Council’s institutional prerogatives as established in the charter.

Finally, in part because of the Security Council’s own institutional limitations, much of the action on counterterrorism, and notably in the Middle East, is taking place outside the collective security system. The ongoing military action in Iraq, Syria, Yemen, and elsewhere are not illegal per se, because Russia, the United States, and others have been “invited” by governments to act militarily within their borders. Yet, the fact that so many countries have chosen to unilaterize their response and act outside the institutions of collective security has harmed the prospects of peace and security. In Syria, the lack of centralized policy planning or institutionalized coordination widened the gap and hardened mistrust among the various warring parties.

The principal victims of the fact that the Syrian issue—and, more broadly, counterterrorism—has been treated outside the collective security system have been the Syrian people. The lack of policy coordination among great powers has produced a political deadlock that is now difficult to untangle, resulting in hundreds of thousands of deaths and displacement of millions. International humanitarian law has suffered in the process, as well. Four of the five permanent members of the Security Council—all but China—have air-bombed centers of humanitarian and medical assistance in the past year. A critical aspect of the collective security system is to ensure minimum coordination in great powers’ responses to global security threats. In the case of terrorism in the Middle East, complicated by the difficult political conflicts in Syria, the choice of great powers to act unilaterally has been harmful to both the cause and the system.

1. The analysis presented in this section relies upon a collective research project conducted with Thomas Biersteker and Zuzana Hudáková.
Panelist Paper
The Fight Against the Islamic State in the Middle East: An Israeli Perspective

Council of Councils Ninth Regional Conference
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During the summer and autumn of 2014, the self-proclaimed Islamic State, then still named ISIS, seemed invincible. Nonetheless, already in September 2014, I had suggested to “remove our hand off the siren button,” as the threat perception of the Islamic State was somewhat exaggerated. As 2016 ends, it is apparent that the Islamic State is not the overwhelming threat it was initially perceived to be.

In fact, the Islamic State has seen limited success in terms of establishing a military force capable of posing a strategic threat beyond isolated terror attacks. The Islamic State consolidated its hold mainly on areas in Iraq and Syria populated by strong Sunni communities yet was repelled wherever it waged war against communities and groups fighting for their lands. The defeat of Iraqi divisions in Mosul in 2014, for example, is related to the reluctance of Shia-dominated Iraqi army units to fight and defend Sunni communities. Moreover, the Islamic State refused to ally with other organizations and was left without allies or foreign backers. Consequently, it lacked sophisticated weaponry beyond what it captured on the battlefield, with which it has failed to make effective use. In terms of its regional expansion, the Islamic State has mostly won allegiance of already existing jihadist groups; for example, Ansar Bayt al-Maqdis became Wilayat Sinai in the Sinai Peninsula.

Against this mixed record of military and political performances, the Islamic State accelerated the formation of strong international coalitions committed to its destruction. Since 2014, the U.S.-led coalition has been fighting from the air to eradicate the Islamic State. This coalition comprises Western and Arab countries, and is working with the Iraqi government, the Kurdish peshmerga, as well as Syrian rebel groups. Shiite militias and Iranian Quds forces joined the fighting in Iraq. In September 2015, Russia became directly involved in Syria, providing air support to the Bashar al-Assad regime, in coalition with Iran, Hezbollah, and Shiite militias. Russia established itself as a strong and persistent actor in the Syrian theater. In August 2016, Turkey entered the fighting in northern Syria directly, working with allied rebel groups.

Admittedly, these coalitions have taken a relatively long time to push back the Islamic State. This was because the Islamic State was not a pressing security threat to any of these coalitions and because of diverging interests and priorities of the various coalitions. The U.S. strategy lacked political will to send ground troops and to allocate necessary resources. As for Russia, it quickly became apparent that the Islamic State was not its prime target. Russia was more concerned with maintaining a favorable regime in power—not necessarily Assad’s—and harnessing the Syrian involvement as a leverage (primarily with respect to the United States) to closer-to-home threats such as North Atlantic Treaty Organization (NATO) encroachment, the conflict in Ukraine, sanctions, and looming economic deterioration. Turkey focuses on
the Kurdish Democratic Union Party, as it is concerned about Kurdish autonomy in Syria, its effects on the Kurds in its territory, and about Assad remaining in power.

More broadly on the Middle Eastern arena, the Islamic State benefited from the weakness of moderate Arab Sunni states. Saudi Arabia has been involved in Yemen since March 2015. This involvement has commanded considerable focus and diverted attention from Syria. Egypt is internally focused with political upheavals and economic hardship. It has also had to address its own terror threat in Sinai, posed by the Islamic State–affiliated Wilayat Sinai. Although recently the Egyptian army gained considerable success, the Egyptian president said that his country’s war in Sinai would be long.

Nevertheless, the coalitions that fought the Islamic State have caused it damage. These losses cut off the organization from vital sources of revenue and routes for new recruits to join the fight. An assault on Mosul is ongoing and an attack on Raqqa, the Islamic State capital, is expected. Prior to that, U.S.-led airstrikes damaged the Islamic State economically by targeting oil infrastructure, thereby reducing the Islamic State’s ability to recruit and maintain morale and order. One by one, crucial cities controlled by the Islamic State were taken over by different forces, depriving the organization of resources and access. In April, Palmyra and Qaryatayn were captured by Assad’s Russia-backed forces. In August, Manjib, in the north of Syria, was retaken by Kurdish and other rebel forces backed by the United States. In Iraq, in February, Ramadi was taken by Iraqi forces backed by the U.S. coalition, while Fallujah was freed in June. In August, the Turkish army, together with Turkish-backed Syrian rebels, took Jarabulus on the Syrian border with Turkey. In October, they took Dabiq, which was of symbolic importance.

Now is a good time to assess the security benefits of the Islamic State’s imminent defeat. First, if there is no effective nation-building effort, what sort of actors would fill the void left by the Islamic State? Reinstating control of sectarian regimes with the help of Shiite militias may offer a short-term solution but would increase sectarian strife and exacerbate the problem of radical Sunni movements in the long term. This problem is manifesting itself in Mosul. While the Shiite majority are looking forward to the city being liberated, the Sunni actors—Saudi Arabia and Turkey—are furious as they suspect an ethnic cleansing. For this reason, Turkey joined the operation in Mosul. In Syria, if Jabhat Fateh al-Sham (formerly al-Nusra front) were to assume control of the Islamic State–held territory, this would only have negligible benefit of replacing the most extreme group with a marginally less extreme one.

Second, the primary military advantage that the U.S.-led coalition enjoys is the Islamic State’s state-like qualities, with weak conventional forces that are vulnerable to conventional attacks. Once the Islamic State is defeated, it will likely go underground and possibly radicalize. While today, the Islamic State can be targeted easily in Syria and Iraq, it would be much harder to curb its activities in countries like Yemen and Pakistan.

Third, the security threats that the Islamic State poses to Jordan and Egypt are not exclusively related to the situation in Syria and Iraq but to domestic frictions, fragile governance, and other local issues.

Fourth, and last, the Islamic State is a terrorist entity with a global reach and an extremist religious ideology. These aspects of the Islamic State, which pose a particular threat to Europe, will not disappear. Paris suffered three attacks in 2015; Brussels was attacked in March 2016; and on Bastille Day, July 14, 2016, a truck drove into a crowd of civilians in Nice, France. The European Union is having difficulty combating this terror threat because of legal, cultural, and political restrictions. Although the number of casualties is still limited, these attacks have a far-reaching psychological impact. In contrast, the United States and Israel suffered only isolated Islamic State–inspired attacks, a testament to the organization’s inability to successfully operate in these countries due to their relative isolation and effective state surveillance.

While defeating the Islamic State in Syria and Iraq would damage its reputation, strong Salafi-jihadi currents are likely to emanate from the region for years. Since extensive nation-building efforts are unlikely, due to
U.S. fatigue in the region, the conditions that allowed the emergence of the Islamic State would not be altered. The Islamic State could reappear in other regions or under a different name. Just as the Islamic State threat was previously overestimated, the view that its defeat through conquest will dramatically improve global security is exaggerated as well.
Session Four
Brexit: Implications for the EU and the World
Panelist Paper

Brexit: Implications for the EU and the World

Riccardo Alcaro, International Affairs Institute (IAI)

The British exit from the European Union (EU), or Brexit, will be a systemic change that will reverberate across Europe and beyond. As of now, there are few, if any, discernible advantages coming out of it and many potential negative consequences. Indeed, Brexit can usher in a sea of troubles for the United Kingdom (UK), the EU and even the world at large if it is not properly managed. And even in that case, it will remain a net loss.

A More Divided UK

Brexit did not win in a landslide. Forty-eight percent of the population, particularly younger, well-educated people living in large urban areas, voted against Brexit, including large majorities in Scotland and Northern Ireland. Reconciling these large and important sections of the population with Brexit will not be easy for Prime Minister Theresa May’s government. Nowhere is this more urgent than in Scotland, where the ruling Scottish National Party (SNP) has made it clear that the option of holding a second referendum on independence, after the failed attempt in 2014, is on the table. The problem for Prime Minister May is that there is no way Brexit can “work for all,” regardless of her assurances that it will. In fact, the UK-EU post-Brexit relationship will be defined by trade-offs between conflicting priorities in much greater fashion than anything the UK has experienced in its recent history.

The British government is naturally interested in keeping as great an access to the EU single market as possible. Yet, political expediency makes it inescapable for May to seek full control over immigration from the EU and end the supremacy of EU law in the UK. As both are inseparable from the single market, the UK is likely to lose access to it. As of now, the evidence points to a ‘hard’ Brexit: a clear break with the EU and the establishment of a significantly less intense relationship.

An advanced form of free trade area may ensure zero-tariff trade in goods and no quotas. However, it is services that the UK exports the most to the rest of the EU. Liberalizing services has historically proven difficult, if only because it is often impossible to do that without common or harmonized regulations. It will be hard for the UK government to argue that it has broken free from the EU regulatory regime if UK firms will have to abide by it in order to keep exporting services to the continent. A specific concern is the almost assured loss of the so-called passporting rights, which allow UK-based banks and insurers to operate transactions across the EU without authorization from national regulators. All this will make EU-UK trade in services a more complicated and costlier matter, thereby discouraging new major foreign investment in the City.
Worse still, as pointed out by Charles Grant from the Centre for European Reform, the negotiation over the new UK-EU relationship is only one of several others that will face the May government in years to come. Before any EU-UK deal can be struck, the two parties will have to agree on the exit agreement, which is a technical arrangement separate from the new EU-UK deal; a transition deal valid for the period between Brexit and the new EU-UK deal; and a cooperation agreement on foreign policy, defense, and counter-terrorism. In parallel, UK trade officials will have to negotiate with the fifty-odd countries with which the EU has free trade agreements in place, as well as push forward an application bid for the World Trade Organization, to which the UK is currently a party under EU auspices.

Whether the May government has the strategy and the human and political capital needed to carry out this huge transformation of the UK’s systemic position in the European and global economy remains to be seen. Labour’s self-destructive strife makes May’s Conservative party the only government option, but this might not last. If the negotiations with the EU do not go well and Labour restores some of its lost public support, domestic opposition—whether it comes from more pro-EU quarters, such as Labour, the Liberal Democrats, and the SNP or from anti-EU forces such as a reinvigorated UK Independence Party (UKIP)—will further complicate May’s plans.

Pro-EU forces will have plenty of ammunition to attack any approach leading to the UK losing access to the single market. They will point out that such a prospect is unlikely to satisfy the financial industry and all other economic operators that trade in goods or services with the EU, reassure the Scots that their views are taken into account, and make barriers at the UK-Ireland borders any more palatable to Northern Ireland. If, on the contrary, May accepts some degree of freedom of movement, UKIP and a part of the Conservative party will berate her for failing to meet public expectations about reducing immigration from the EU. In conclusion, the UK is about to enter a very delicate set of negotiations with a relatively weak hand. The outcome is unlikely to improve either its economic prospects or international influence.

A Weaker EU

Thanks to greater economic size and political weight, the EU is in a better position to handle the Brexit negotiations than the UK. However, this does not imply that it will be better able to cope with the consequences. In fact, Brexit is going to harm the EU, perhaps severely, in several respects.

The UK referendum has reduced the appeal of European integration as a model to organize intra-EU relations. The Brexit camp would have unlikely achieved victory had the British, and particularly English, electorate not been permeated with a new strand of nationalism that is affecting the whole of Europe. Today’s nationalism reflects a public demand for protection from huge impersonal forces—such as economic globalization, transnational threats and massive movements of people—that are perceived as threatening to the economic and cultural fabric of EU societies. Opposition to migration, skepticism towards global governance and free trade, and a desire to insulate societies from the spillovers of wars and crises abroad have melded with the sense that EU integration disempowers individual citizens in favor of unaccountable elites to generate a powerful anti-EU sentiment. The victory of the Brexit camp has given legitimacy to a political discourse filled with nativist nationalism that was once at the fringe of the political debate. The risk of political contagion is therefore very much real.

Anti-immigration, euroskeptic parties—including France’s National Front, the Netherlands’ Party for Freedom, Germany’s Alternative for Germany, Italy’s Five Star Movement, and many others—are surging in the polls. Some have already promised to hold a referendum on EU or eurozone membership if they get to power, an option that is no longer implausible. There are good reasons to doubt that they will indeed carry out their promise, as Thomas Wright from Brookings persuasively contends. Leaving the eurozone, for instance, would involve such potentially catastrophic risks as bank runs, capital flows, and massive depreciation of savings denominated in the re-established national currency. However, even if no new exit from the EU were to occur, euroskeptic-run governments could take decisions that would amount to a
functional emptying out of EU institutions’ authority and compromise intra-EU cooperation by aggressively pursuing narrowly defined national agendas. The governments in Hungary and Poland are already following this path. If this tendency were to become dominant, the EU policymaking machine would risk paralysis and the ideational core underlying the integration process would be further delegitimized.

Against this backdrop, it comes as no surprise that the French government and others are hardly in the mood to do the British any favor. Confronted with the challenge to fix the eurozone governance system and reduce uncontrolled immigration, they are unwilling to consent to lenient terms for fear of emboldening anti-EU forces. This is another indicator of a hard Brexit. A bad option for the UK, hard Brexit is hardly a good one for the EU. After all, the UK is one of the most dynamic EU economies, and reduced trade in services and goods across the English Channel would hit the EU economy as well. In addition, no other EU countries has the potential to set up a financial center of the same magnitude of the City of London’s, which involve that the EU, as a whole, would no longer be able to benefit from the high level of foreign investment there.

Brexit is moreover going to reduce the geopolitical weight of the EU. The Union would no longer be able to tap into the capacity of initiative, experience, networks of relations, and creativeness of the British diplomatic service, one of the few in Europe with a global strategic outlook. The EU’s capacity to handle competition with an increasingly hostile Russia and manage crises in its neighborhood is therefore likely to diminish even further.

**A More Fragile Liberal Order**

The EU is one of the pillars of the Western alliance and a staunch supporter of multilateral institutions, rules-based regimes and cooperative crisis management. If it ends up being absorbed by its internal problems, it will be less able to push forward a proactive agenda to improve governance of transnational challenges such as climate change, economic imbalances, and trade liberalization.

A post-'hard Brexit' EU would also find it harder to contribute to the transatlantic relationship. Without the UK advocating free trade and open economies, EU support for major endeavors such as the Transatlantic Trade and Investment Partnership would experience an even sharper decline. The EU’s contribution to transatlantic crisis management undertakings would also be impaired.

The United States is itself not immune from the nativist nationalism sketched out above. The Republican presidential nominee, Donald Trump, has actually infused his campaign with themes that would resonate with euroskeptics. While his opponent, Hillary Clinton, is a mainstream advocate of America’s post-WWII policy of global engagement, Trump could steer the United States away from its traditional alliances and partnerships, renounce America’s role as guarantor of international stability, and reframe its foreign relations in purely transactional terms. A smaller, more inward-looking and weaker EU would be unable to sustain the pressure on the liberal order that would come out of such a systemic shock.

**Conclusions**

Brexit can potentially diminish the UK’s economy, influence, and even territory (if Scotland were to vote again—this time successfully—for independence), fuel anti-EU sentiments across Europe, diminish intra-EU solidarity and perhaps bring about a fragmentation of the EU itself, and it could expose the liberal order to systemic shocks. EU and UK negotiators had best to keep these potential consequences in mind when they finally sit at the table to agree on the terms of their divorce and their future relationship. The consequences may well be felt ways beyond the shores of the English Channel.
Panelist Paper

Brexit: Implications for Europe and the World

Council of Councils Ninth Regional Conference
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In early 2019, the United Kingdom is set to become the first state to leave the European Union (EU) since its inception in 1957 as the European Economic Community. During its forty-three years of membership, the UK’s commitment to the EU has been firmly grounded in the closer economic and trading relationships that membership has enabled, rather than in an ideological commitment to an “ever closer Union.” While, for some of its members, the EU is a concern of the heart as well as the head, for the UK, the dynamic has long been more pragmatic.

On June 23, 2016, 17.4 million UK citizens decided that membership of the EU no longer delivered the benefits necessary to justify the sovereign control that they perceived to have surrendered. The inability of the UK government to regulate some aspects of immigration attracted particular attention. While some voters—on both sides—did not understand the intricacies of all that they were voting on, dismissing this vote as simply that of the poor, the ignorant, and the disenfranchised is unhelpful, not least for the twenty-seven member states of the EU (EU27) as they look for policy prescriptions going forward.

Understanding the Disconnect: A Tale of Woeful Political Leadership, Fatal Misjudgment, and Unhappy Circumstance

This was the referendum that was never meant to have been: a pledge long resisted, then eventually conceded at a time when any requirement to follow through seemed highly improbable, and with polling consistently showing public support set to carry the day, anyway, were things to get out of hand.

The referendum proved unavoidable and the Remain campaign failed to convince the voting public for many reasons. Years of blaming Brussels for much of what it did do—and plenty with which it had little to do—could not be readily erased by a month of passionate campaigning. On their chosen battleground of the economy, the Remainers’ predictions of doom and gloom sounded unpatriotic and irrelevant to whole sections of society that felt disconnected from those advancing such arguments. UK Prime Minister David Cameron may have been able to boast of the 2.4 million jobs created on his watch, but average weekly wages had fallen. Meanwhile, as net migration into the UK reached a record 333,000 in 2015, with the largest increase in the eight million residents of the UK now born elsewhere coming from central and eastern European countries, concerns over stretched public services found a convenient, if unsurprising, scapegoat. Ill feeling was further fueled by erroneous and cynical claims of the 350 million pounds a week that the UK sent to Brussels, while attempts to target the traditionally pro-European Labour Party heartlands were undermined by the equivocation of a party leader who had himself voted for Britain to leave the European Economic Community at the UK’s only other referendum on this issue, back in 1975.
Facilitated by a confusing choice between a complex but ultimately quantifiable relationship and an unknown new set of relationships, facts lost out to a cacophony of ill-informed rhetoric and outright lies on both sides. Meanwhile, a government that had misguidedly pledged to reduce levels of migration to unattainable targets now found it difficult to preach convincingly on the benefits of migration. As a result, the government opted not to get involved at all on the single issue now perceived by its successor to have been the major preoccupation for Leavers.

With his formal resignation from office on July 13, 2016, Cameron became the third Conservative prime minister in a row to fall as a result of arguments over Europe. A leader who once implored his party to “stop banging on about Europe” has left behind a country focused on little else.

Assessing the Consequences

Whatever form “Brexit” ultimately takes, the negotiations will be difficult and protracted. The risks to the financial stability of the UK and the eurozone are clear and may not be contained within the region; the strategic consequences will also be substantive. Exceptional leadership and vision will be required if these consequences are to be confined only to a reordering of priorities within and between the UK and the EU, rather than to result in a further weakening of the fraying liberal international order.

A Disunited Kingdom: With no credible opposition in sight, the Conservative Party is stronger domestically than it has been for a long time. But the nation it governs is deeply divided. As the new government appears set to opt for the complete reshaping of the UK’s trading and economic relationships that any meaningful controls on EU immigration look likely to require, it will, among a myriad of other fissures, have to manage calls for a second independence referendum in a Scotland that voted to remain and ensure that there is no backsliding on the peace process in Northern Ireland. If the corrosive seepage of trust in the political establishment is to be abated, the UK government will also need to deliver meaningful progress on its agenda of social justice that now seems to run hand in hand with the implementation of Brexit.

However, assuming these challenges can be managed with some degree of competency and leaving valid concerns about capacity aside, the consequences of Brexit for the UK as a partner and actor on the global stage, including on issues of defense and security, are likely to be far less dramatic. This vote should not be misinterpreted. Those charged with implementing Brexit are not small-minded isolationists, but ambitious free-trade supporters anxious for the UK to be a standard-bearer for the open, internationalist liberal order. They are people who, even if and as the UK economy pays its price for Brexit, will still believe in a well-funded military and the necessity of working closely with the UK’s transatlantic and European partners on the strategic issues of the moment. Many important partnerships, such as the Five Eyes intelligence relationships, will continue unaffected, and others could conceivably even be boosted. For example, the UK is likely to become more active in seeking substantive bilateral defense cooperation with its major European partners.

An Unsure Union: There is no upside for the EU to the loss of a nation with Europe’s largest defense budget, second-largest economy, and third-largest population. More concerning still, with populist parties on the march across Europe and elections showing anti-EU sentiment higher elsewhere, this could have been—and still might be—one of several member states to vote to leave the EU. Germany’s lack of reliable, like-minded, and willing partners with whom it can work in close coordination in order to drive the project forward remains a problem both for Germany and the EU. Concrete ground for common action is becoming increasingly difficult to find.

But the EU faces challenges bigger than Brexit; the challenges to its cohesion did not begin with Brexit and will not end there. The viability of a currency union without a fiscal union remains uncertain, demanding initiatives for further integration that will precipitate their own challenges to cohesion. The refugee crisis
may be on hold, but there is little sign of any emerging consensus on what solidarity measures might be desirable should flows pick up again. Violence and instability to Europe’s east and south pose further challenges to the new European Global Strategy slogan of “Shared Vision, Common Action.”

**Recommendations for Parties Involved in Brexit Negotiations**

- **Be flexible and imaginative; stay focused on what unites.** Flexibility and imagination will help, rather than harm, the cohesion of the EU, as well as the progress of Brexit negotiations, which should be concluded as speedily and as collegially as possible. Cohesion of the EU27 should be the priority, but the risks of political contagion should not be overstated and thereby allowed to circumscribe innovative thinking on a revamped EU-UK partnership. After all, at least for nineteen of the EU’s members, calling time on a currency union is a risk beyond even Brexit. As negotiations get fractious, all parties need to remember their common interests in the security and prosperity of the continent. Only if this shared ambition can remain the dominant narrative do they stand a chance of concluding negotiations that do not in some way undermine the liberal international order and the collective contributions that they make to it.

- **Do not play politics with defense.** As the remaining member states search for common ground to demonstrate the EU’s vitality, political attentions are focusing on new initiatives in the field of defense and security policy. Such interest is welcome and, indeed, overdue. But it is important that any decision here is taken on the basis of its military utility rather than on what it might deliver by way of short-term political impact. In this of all fields, substance must trump symbolism.

- **Deliver, deliver, deliver.** If member states are to safeguard the four freedoms of the European single market—free movement of capital, goods, persons, and services—against the forces of populism elsewhere on the continent, then they need to worry less about punishing the UK and focus more on reaffirming the value that these freedoms contribute to the prosperity and security of the continent. Ambition and rhetoric have their place, but member states also need to show their citizens that the EU delivers and be ready to hold themselves accountable when it does not. Communication around the flurry of summits that will now follow should focus on concrete commitments, announced alongside targets that are specific, measurable, and come with regular mechanisms to report upon their practical implementation.
Panelist Paper

The Seven Challenges Facing the European Project

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Much has been said about the challenges the European Union (EU) is facing. Questions have been raised about its future and postmortem verdicts given on its chances of survival. The aftermath of the financial crisis continues to beleaguer Europe; the drove of refugees, while abating, have significant policy, economic, and social implications; Russia’s actions in Crimea have shocked many Cold War mindsets in the European establishment; and Brexit is but the latest blow to the European unification project. From an Indian and Asian perspective, there are seven interlinked challenges that the EU needs to address to reemerge as a bloc that matters to this part of the world.

The first challenge is social: liberal Europe is confronting the twin illiberal ideologies of radical Islamism, which has emerged and consolidated itself in Europe, and racist-rightist politics that have equally found populist expression.

Incomplete social integration within EU member states is threatening the larger fabric of the union. Past models and policies have proved inadequate. Moreover, a continuing restructuring of national demographics is widening the gap—existing cleavages between different cultures have already led to feelings of otherization experienced by immigrant populations, especially European Muslims. Twenty percent of high-security prisoners in the UK are Muslim—despite the fact that Muslims make up merely 5 percent of Britain's population. The French prison population is estimated to be 70 percent Muslim. Their isolation, alienation, and marginalization, and feelings of being seen as the threat, have undermined and continue to undermine the role Muslim immigrants play in realizing the European project. Resentment in some cases may have found outlets in extremism and violence. Muslims today account for 4 to 5 percent of Europe's population; this figure is expected to rise to 8 percent by 2030, according to the Pew Research Center. Europe cannot afford to ignore the necessities of better assimilation of communities that make Europe their home.

Socioeconomic integration and stability is being aggravated by the surge of refugees from the protracted conflicts in West Asia. This surge is serving to heighten security concerns, as Europe grapples with a rise in terrorist activities. The link has been made: the number of refugees in Europe increased from 1.2 million in 2013 to 1.6 million in 2015. Out of the twenty-eight EU member states, Germany, France, Italy, Sweden, Hungary, and the UK host over 80 percent of the refugees. In these countries, almost 60 percent of people believe that refugees are a threat and will increase domestic terrorism.

On the other hand, racist-rightist politics are further impairing the national fabrics of EU countries and, therefore, of the entire union itself. From the UK Independence Party to Alternative for Germany, Hungary under Prime Minister Viktor Orban, and Poland's ruling far-right Law and Justice Party, euroskepticism,
nationalism in the form of xenophobia and anti-immigration stance—not only with regard to non-EU populations but also inter-EU migration—are now expressed freely in political discourses. In Sweden, the fringe Sweden Democrats went from not having a single member of parliament (MP) before 2010 to becoming the third largest political party in the country with forty-nine MPs in 2014 and are today supported by one-fifth of the Swedish population. The UK took a step further with its Brexit referendum, and many EU states are now reinstating border checks within the Schengen Area.

The second challenge the EU faces is economic. The EU is a monetary union, not a fiscal union, and the asymmetry between these two has not been managed well. The Greek economic crisis is a manifestation of this asymmetry—its economy did not fulfill the convergence criteria laid out in the Maastricht Treaty to begin with, but fiscal independence meant that there was little oversight from Brussels on Greek spending or its lax attitude toward tax collection. The 2007–2008 global financial crisis worsened these structural problems, which remain unresolved. EU member states can, of course, proceed individually, but their economic weight will pale in comparison to that of India or China. To remain globally competitive, EU member states will need to be represented as a bloc economy, which again underscores the importance of getting the EU economic house in order.

The importance of meeting this challenge with as few casualties as possible cannot be overstated. For the first time since the end of World War II, a new generation of Europeans will be less well-off than their parents. And the solution needs to come from European democratic parties to prevent far-right political discourse heaping regressive, authoritarian solutions to the economic malaise.

The third challenge for the EU will be dealing with a resurgent Russia. The EU allowed itself the luxury of wallowing in the outdated Cold War mindset: the West (i.e., the United States and Europe) won, the Soviet Union collapsed, so the neighborhood was now friendlier and more stable. But in doing so, the EU did not invest in follow-through diplomacy. With Russian adventurism moving beyond its borders—from its war with Georgia to the annexation of Crimea and now the intervention in Syria—the initially limited contact and dealings have meant much less scope for accommodation now.

The fourth challenge is that the EU needs to move beyond its status quo approach. The old world older is giving way to a new one characterized by multiple voices, interests, and agendas. An EU that has sat comfortably at the head of the International Monetary Fund and has 40 percent of the total representation on the UN Security Council despite a much smaller geographic and demographic weight has not only been finding it difficult to come forward with new propositions and build new alliances but has also blocked efforts of emerging powers to build new arrangements even in existing Western architecture. The obstruction posed by France and the UK to the G4 nations’ bid for UN Security Council permanent membership in 2005 is an example (G4 consists Brazil, Germany, India, and Japan). Despite EU’s positions of strength in the traditional global governance architecture, it is effectively undermining its own leadership by many a times meekly attuning itself to the interests of the United States. This is reflective of EU’s lack, thus far, in coming to terms with the geopolitical compulsions of an increasingly multipolar world. Enthusiasm shown by EU member states toward the China-led Asian Infrastructure Investment Bank is hopefully an indication of a willingness to deal with twenty-first-century realities.

The fifth challenge for the EU is to pivot toward emerging geographies. This will involve abandoning the transatlanticism that banded the United States and Europe into an old boys’ club and prevented Europe from furthering its own interests in a changing landscape. The EU’s traction on the Transatlantic Trade and Investment Partnership, in lieu of pursuing trade agreements with the economies of Asia and Africa, as well its lackadaisical approach to North Africa and West Asia by only following in the footsteps of the United States instead of charting an independent course that involved dialogue with West Asia’s eastern flank, are examples of this penchant for the familiar. This approach is partly due to the perceived shared values identified as Western: respect for human rights, upholding democracy, and pursuit of market-based economy. Obsessed with the Atlantic order, Europe is near absent in the great debates of the Indo-Pacific.
The sixth challenge is for the EU to present itself as beyond a beacon of an inelastic value system. As history has shown, Europe has proved inconsistent in advancing the importance of values in global commitments. For instance, Europe's championing of the human rights agenda has become a casualty in advancing its economic relationship with China. Domestically, these self-determined norms are sought to be imposed on multifarious constituencies. The French ban on the niqab in 2010 aroused significant discontent among the migrant populations; one scholar described the ban as encouraging "Islamophobia as well [as giving] Muslim extremists more cause to feel the need to rise up against the French state." Six years later, at a time of heightened disaffection of the state among the minorities, the burkini was banned by several French municipalities; many mayors have vowed they will continue with the ban despite the country's highest administrative court overturning it. The EU cannot afford to appear hypocritical or overbearing; such instances, both at home and abroad, diminish its credibility as an economic partner, a strategic actor, and global voice.

All the above challenges, in some way, point to the shortcomings of Brussels to communicate, message, and present the EU project to the world. Effectively, the last challenge for the EU is to communicate effectively and rigorously with the world beyond its borders. For instance, the outreach challenge between New Delhi and Brussels has complicated the understanding of worldviews and decision-making because the two continue to rely on secondary and tertiary party sources. A case in point: the regional reach of the British Broadcasting Corporation (BBC) and Deutsche Welle is far better than what comes out of Brussels, which boasts only four English language newspapers (print and online). There is no truly European media operation that disseminates local language messaging to audiences outside Europe. Consequently, European narratives about itself, its vision, and its diplomacy are crowded out by what ends up being poor coverage of the EU. The perception, then, that emerges in non-Western capitals is that of an EU that is an appendage to its members and to the United States, an entity that is unwilling, or unable, to lead. This lends greater weight to the growing euroskepticism inside the group and outside. This does not bode well for the European project.

Despite the size and relevance of the European media and Europe's existing economic strength, the lackluster coverage of EU affairs has been attributed to a lack of funds. The Russian media's wider reach to audiences that increasingly matter, despite its economic troubles, stands in stark contrast.

The EU as an entity is today near-absent from global debates that are of compelling interest to its member states as well as the union as a whole. First, this lack of visibility inhibits Europe's capacity to influence global discourse. And, second, it bolsters the narrative of the old continent's diminishing relevance in the emerging international order. This should incite a real conversation on what role the EU envisions for itself in the current geopolitical and geoeconomic dynamics.

1. This essay is based on a previous paper by the author (Samir Saran and Britta Petersen, “Beyond #Brexit: What Ails the European Union?,” ORF Special Report 17, July 19, 2016, http://orfonline.org/research/beyond-brexit-what-ails-the-european-union) as well as an ongoing project (EU Public Diplomacy and Outreach in India and SAARC: EU-India Think Tanks Twinning Initiative).
5. Ibid.
Four months after the historic British vote to leave the European Union (EU), the political and economic shocks still reverberate in the United Kingdom (UK) and the rest of the EU. In order to untangle the relationship between Brussels and London after more than forty years of integration, the UK and the twenty-seven member states of the EU (EU27) are faced with many difficult trade-offs. Despite common economic interests to minimize insecurity and keep trade relations as open as possible after the separation, the political dynamics in the EU and the UK are pointing in a very different direction—toward long and protracted negotiations that could result in a hard divorce.

A Long, Complex Brexit Will Turn the EU and the UK Inward

It is imperative to think of Brexit not as an event but rather a process of many layered negotiations that may well stretch out beyond 2020. According to EU law, any member state may leave the EU, starting with a notification to the European Council of its intent. The UK government has announced that this notification will be made at the end of March 2017, which would officially kick off negotiations on an exit agreement. These negotiations are limited to two years. Unless they were extended by unanimity, the negotiations would last until early 2019, just before the next European parliamentary elections. This time limit is extremely ambitious for the complex exit negotiations and is also marred by the fact that 2017 national elections in both France and Germany will severely hinder the negotiations in the first year.

More important, the exit agreement does not cover the most significant question for a post-Brexit UK, which is its future economic and political relationship with the EU27, in particular, with regard to the single market. A second, so-called status agreement, which is not directly or legally tied to the exit agreement, is therefore needed. If the exit agreement comes into force first, the UK would fall back to a World Trade Organization (WTO) member status relationship with the EU. This would mean severe economic consequences, such as the reintroduction of tariffs. To avoid these consequences, further negotiations on a transitional agreement with the EU alongside the exit agreements would be necessary. Negotiations for a full and comprehensive EU-UK trade agreement could last even longer. In comparison, the Comprehensive and Economic Trade Agreement between the EU and Canada has, so far, taken a decade to negotiate, from the start of the preliminary talks in 2006 to the ratification planned for 2016 or 2017.

But these are not the only negotiations the UK has to participate in. For example, if the UK leaves the EU’s customs union—which is likely after the UK government recently set up the Department for International Trade—the UK is required to renegotiate its tariffs within the WTO, which currently has 164 member states. This is only the foundation for new free trade agreements to replace and supplement the forty-one current EU trade agreements that the UK will no longer be party to. Further difficult negotiations the UK
government is confronted with include the arrangements with the Republic of Ireland regarding its border with Northern Ireland, with Spain on Gibraltar, and, internally, on Scotland. In short, for the foreseeable future, the EU as a whole, and the UK government in particular, will be largely occupied by the different layers of Brexit negotiations, severely limiting resources to tackle other important international challenges. This was exemplified by UK Prime Minister Theresa May’s first programmatic speech as prime minister to the Conservative convention in October 2016, in which the EU negotiations were the only issue of foreign and security policy mentioned—with not a word uttered on Libya, Russia, Syria, or any other external challenge.

The Political Dynamics Point Toward a Hard Brexit

The most crucial and defining question the EU and the UK will have to agree on in these complex negotiations is their future relationship. Economically, the case should be clear. The uncertainty created by the Brexit referendum makes investment and other planning decisions concerning cross-border trade between the EU and the UK more difficult, especially for international investors who have traditionally used the UK as a gateway to the European single market. Overall, the EU remains the UK’s largest trading partner, accounting for 47 percent of the UK’s exports and 45 percent of its imports in August 2016. On the other hand, the importance of the UK to individual EU member states varies from fairly insignificant (for eastern, central, and southern Europe) to crucial (for Germany, whose third largest export market is the UK) and the most vital (for the Republic of Ireland). Overall, it would be in the economic interests of both sides to avoid prolonged uncertainty and to keep the UK as deeply rooted in the single market as possible.

The political dynamics, however, point in the opposite direction. Not only will the complex negotiations lead to years of prolonged uncertainty but also the red lines emerging on both sides all but rule out the UK’s full participation in the single market or even a type of privileged access similar to what Norway or Switzerland has. In the analysis of the May government, the two main drivers of the Leave vote were concerns about migration and sovereignty. As first guiding principles, the UK government has proclaimed that it will seek limits on the free movement of people and reject any kind of binding decision-making or judicial oversight by European institutions on the UK. Both are core principles of participating in the single market.

For the EU27, and in particular the German government, the preservation of the EU as a whole stands paramount over bilateral economic relations with the UK. EU leaders have unanimously made it clear that the four freedoms of the single market are indivisible and that full participation in the single market requires full implementation of its rules. Taken together, the most likely outcome of negotiations for the future EU-UK relationship is therefore not a privileged type of access to the single market like Norway or Switzerland has but a form of hard Brexit. It may preserve tariff-free trade in goods, but it would not include the continuous abolishment of nontariff trade barriers. It also would not include the full four freedoms, which include the passporting rights and free trade in services that form the basis for the role of the City of London as a global financial center.

Moreover, there is a clear danger that the strong difference of political interests concerning market access will spill over to cooperation in other policy fields, in particular foreign, security, and defense policies, as well as justice and home affairs. In these two policy areas, both the EU27 and the UK have a clear interest in continuing cooperation, such as on EU military operations and the fight against international terrorism and organized crime. In fact, even after the Leave vote, the UK has actively made use of its opt-in rights in justice and home affairs to voluntarily take part in EU regulation for as long as it remains a member. These joint interests should be separated as much as possible from the economic negotiations in order to prevent further damage to the European security architecture.
No Immediate Domino Effect Is in Sight, but Brexit Leaves the EU Weakened

The historic vote to leave the EU by one its largest members raises the fundamental question of the stability of the whole European project. On first glance, the motivation of the UK public to vote against EU membership is present in most, if not all other EU countries—a perceived lack of control on migration, rising mistrust of political and economic elites, and a rejection of the primacy of European law. Euroskeptic and anti-EU forces are on the rise. In the immediate aftermath of the Brexit referendum, Marine Le Pen of France's National Front, Geert Wilders of the Netherlands Party for Freedom, and, more cautiously, Norbert Hofer of Austria's Freedom Party, have called for similar referenda in their countries. National elections will take place in these countries in the next twelve months, with the respective parties leading in the elections.

In the short term, however, the EU27 is stable enough to hold together. First, the long divorce process with the UK works to the EU's advantage, because, at least until 2019, it will be unclear what the status of the UK outside the EU will actually look like and which parts of EU market integration the UK may keep. Second, while former UK Prime Minister David Cameron gambled with the UK's EU membership with the expectation that he would be able to win the referendum, as a result of Brexit, mainstream parties from other member states will now be more cautious. Besides the calls for a referendum in France and the Netherlands, it is highly unlikely that any other mainstream party will support an exit from the EU. Third, despite growing skepticism toward the EU across the continent, it is no accident that the UK, which has been on the fringe of integration ever since the Maastricht Treaty, is the country to vote for leaving the EU. In over forty years of EU membership, the UK has kept a purely utilitarian approach to European integration, valuing EU membership purely through a cost-benefit approach that turned negative due to the eurozone and refugee crises. In particular, in countries like France and the Netherlands, the EU remains a fundamental political project that retains value. Finally, the economic costs facing the UK in the event of a hard Brexit, which is currently showing in a weakened currency, may well serve to underline to others the value of the single market as the heart of EU integration.

This precarious stability should not be seen as a definitive indicator of a crisis-battered EU. The UK vote to leave has not only delivered a warning shot to the EU but has also highlighted how hard it will be for the EU to ever win back enough citizens' support to enact the structural reforms needed within the eurozone and the Schengen system. Despite the common assessment that the status quo is unsustainable, national governments also strongly disagree on the types of reform needed to rebuild the foundation of the EU. For the EU, the tough Brexit negotiations should not distract from the core challenges that lie ahead in fixing the economic and monetary union, managing the refugee crisis, and regaining the trust of its citizens.
Session Five

Populism as a Challenge to Political Stability and Globalization
Populism, or Us Against Them

Populism is a notion as old as democracy. Whereas, for a long time, populism had been used as a rather neutral concept of binding the behavior of policymakers excessively and demonstratively to the alleged will of the people, today’s populism is regarded as an undesired and problematic aspect of democratic politics. Given the variety of understanding and definitions of populism, it is necessary to clarify what it means. Here, populism is conceived not as an ideology, but as a political method, or a way of “doing” democracy. The main tenets of the populist method include the following:

- A call for basic renewal and regeneration: Populist movements usually want more than mere reforms. Even though they are not necessarily anti-system, they strive for an overhaul of the political system and important policies.
- Vertical politics: For populist parties, it is usually not the traditional left-right distinction that creates the dominant axis of political dispute but a people-versus-the-establishment conflict that constitutes the main dimension of the political landscape. Accordingly, the frontline in politics is an us-against-them position, with populist parties claiming to be the frontrunners of antielitist charge.
- Polarization and dichotomy: Populist politics exist in a world of black and white. By definition, populists regard themselves to be on the right side of politics and history. Simplification is an important concomitant of this approach.

Hence, populist actors portray themselves as new, pure, and innocent, representing the real voice of the people and the silent majority suppressed by the powerful elite that ensures its own partial interests or the concerns of influential minorities.

Varieties of Populism

The populist appeal is compatible with quite different ideological components. Therefore, there is not one single populist platform but subgroups or strands of populist groups that share similar policy preferences and emphasize related issue areas. There are currently four main orientations of populism in the European Union (EU):

- The Identitarian far right includes parties like Greece’s Golden Dawn or Hungary’s Jobbik. These groups represent the traditional nationalist variant of populism. Being based on a nativist worldview, they struggle for their ethnic community and for a better defense of national interests. They fight against immigrants, national minorities, and supranational influence.
• Sovereignists and national conservatives are more modest than the far right, and in terms of public support, they are much more successful. In spite of their preference for national interests and preserving sociocultural identities, they are less aggressive than the far right. They have jettisoned extreme positions in favor of a restrained radicalism. Groups like France’s National Front have tried to modernize and rid themselves of the bluntest proponents of heavy nationalism, thus opening up to new social groups.

• The financial and economic crisis has opened up new opportunities for groups attacking capitalism that demand a basic reconstruction of the economic model as well as a re-democratization of the state and economy. Some of these social populist movements come from the old hard left and have transformed to a new radical left, such as Greece’s Syriza, while others have grown out of social protest movements, such as Podemos in Spain.

• In countries with considerable governance problems and with traditionally volatile party systems, populists from the center can sometimes gain ground. Their main issue is fighting corruption and nepotism. Even though their political leaders quite often have been part of the so-called establishment, they assume a strong antielite posture. In terms of economic or social affairs, their positions differ, with some being pro-market and others more socially oriented. However, they usually do not support many radical economic solutions.

Irrespective of their specific programmatic emphases, most of the populist currents, apart from centrists, share a common denominator: they are opposed to globalization, are critical of the market economy, and call for an active state role in the economy. Many of them show remarkable euroskepticism, while some have adopted clear antiliberal and anti-Western attitudes.

**Determinants of Success**

There are three important factors that explain the success of populist groups: palpable political, social, and economic difficulties; a lack of legitimacy; and comparative advantages on the political and electoral market.

• Despite differing national backgrounds and socioeconomic models, European societies are mostly expecting inclusive economic growth and the existence of social buffers in case of economic shocks. However, the most recent financial and economic crisis that hit many EU member states has brought about huge economic setbacks, increased social and regional inequalities, and led to a further scaling down of the welfare state. Unresolved social and economic questions like unemployment have eroded the basis for traditional mainstream parties, especially the social-democratic center-left. Immigration and deficient integration of immigrant communities have become a major political challenge for many Western European countries. Established parties have often disregarded open questions connected with immigration, whereas populist groups have pointed fingers at difficulties related to the presence of huge communities of migrants—exaggerating the risks and belittling the gains but benefiting from the negligence of traditional parties. Other important subjects are corruption and state capture. In some member states, these are chronic symptoms of bad governance and, for many, result in a real struggle in everyday life. These questions are both relevant and palpable and have a high domestic political salience. Due to passivity or sluggishness of their competitors, populist groups have often achieved issue ownership in these sensitive fields.

• The face and functioning of European democracy have basically transformed during the past couple of decades. The political space has narrowed, and technocratic policy-engineering has replaced ideological alternation. The prospect of populists overcoming impossibilism and offering policy alternatives is a sort of re-politicization that is attractive to many voters who have been alienated by politics. A growing uncertainty and the proliferation of mistrust have additionally undermined legitimacy of the old forces.

• Finally, populist groups dispose of comparative advantages vis-à-vis their mainstream equivalents. They do not act according to the principles of balanced reasoning and political responsibility. The populist modus operandi is one of provocation, polarization, and de-tabooing, which are questionable capabilities but communicative assets. Also, by claiming to represent the will of an alleged majority and the common
people, they based their argumentation on moral plausibility against the decoupled elite and its self-referential value system.

In sum, populist parties receive support for two reasons. First, their opponents are weak, uninspired, and torn; second, populist parties are able to take advantage of an increasingly demanding political, economic, and social context. A substantial crisis of leadership and mistrust gives considerable impetus for movements and politicians who want to contest and rebuild the status quo in the name of sovereignty. Given the broken promises of the established parties, the pledge of renewal and the image of a newcomer are sufficient to gain popularity in large parts of the electorate.

Implications for the EU

The success of populist groups has manifold implications for the EU, especially in critical policy areas. In financial and economic policies, populist parties usually call for more protection of national markets and industries. They are opposed to free trade and call for more regulation and a more active role of the state in the economy. Globalization is seen as a threat for social security and as an avenue for the influx of foreign capital and new economic and political dependency. For example, the EU has been criticized for promoting a type of small-scale globalization on a regional level, which makes its member states vulnerable to global finance and influence. In foreign policy, the EU faces the risk of additional fragmentation. Populist parties in governments often seek contact with non-EU countries as a counterweight to Brussels or the perceived dominance of other member states. Concerning migration, populist parties prefer restrictive solutions and want to find regulations to contain even the free movement within the common market. With regard to asylum, they are usually opposed to accepting large numbers of refugees and compulsory distribution of asylum seekers among member states. This complicates the emergence of a common European migration and asylum policy. Moreover, having assumed power, some populist parties have centralized political power and limited the leeway for the opposition, the media, and nongovernmental organizations. Due to such developments, the EU’s predicament is that it should not allow for the dilution of democratic standards. However, many members states are opposed to establishing a sort of democracy policy within the EU, which would include effective sanctions to prevent member states from backsliding in terms of the rule of law or pluralism.

Furthermore, it is the EU’s decision-making system that is affected by strong populist groups. A strong presence of populist parties—with a predilection for a repatriation of competencies and a strong role for the member states and national interests—in EU capitals could contribute to a weakening position of the community method and related institutions, the European Commission above all. They also tend to apply their rather confrontational and zero-sum domestic understanding of politics to the EU level. This makes it more difficult to find solutions in the EU’s political process, which is traditionally based on compromise and pragmatism.

The populist effect works both directly and indirectly: where populist parties win elections and form governments, they have a direct policy impact; where they remain a strong force in opposition, mainstream parties tend to adopt parts of their demands in order to regain popularity among voters.

Relaunching the Mainstream

The EU has entered a period in which contesting and confrontational parties wield increasing influence in national arenas. This makes the EU more heterogenous and diverse. For the sake of its internal and external credibility, the EU has to initiate a debate on its core values and their content. However, the EU has to be realistic enough to accept that populist challenges can only be successfully tackled within member states. Therefore, it is the so-called established parties, which have to get back to their roots and fulfill their basic tasks of delivering clear and distinct policy options, reaching out to the electorate, and developing policies for all parts of society. Such a relaunch of the mainstream will only be effective if politicians and parties of
the modest center rediscover their old virtues and look at the reasons why their polarizing competitors are gaining ground.
Populism as a Challenge to Political Stability and Globalization

Panelist Paper

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Populism is not a new phenomenon. It is a form of direct democracy that arises when people think that they are not being represented by their mainstream parties. The discourses of populism are divisive: juxtaposing us with them, friends with enemies, and the common public with corrupted elites. Populists tend to refuse compromise and instead demand radical solutions. What is distinctive about populism in Europe and the United States today is that it threatens conventional democratic politics. Despite lacking a coherent political ideology, populist parties and movements are adept at appealing to people with provocative messages. Consequently, these actors have been quite successful, emerging either as major parties or successfully pressing the government for changes to trade or migration policies.

The Surge of Populism

Globalization is not the sole culprit behind the rise of populism. While many of the negative social changes attacked by populists stem from globalization, there are other economic, cultural, and political explanations for the rise of populism. Global market integration and technological developments have sped the flow of goods, money, and people across national borders. The integrative and innovative forces of globalization have intensified competition and broadened economic inequalities between the skilled and adaptable labor forces and the unskilled and less adaptable remainder. Therefore, a majority of people currently feel insecure about their jobs; their incomes are insufficient to support their families. Convinced that migrants inside their country or workers abroad are taking their jobs, insecure workers support reducing or even halting immigration and enacting other protectionist measures.

Two new developments—increasing terrorist attacks and the Syrian refugee crisis—are adding to the fear surrounding this economic insecurity. Right-wing populists, in particular, have come to identify ethnic and religious diversity as a threat to national security and a homogeneous cultural identity. Politically, deepening globalization means decisions are increasingly made by transnational organizations. The European Union (EU), the world's most successfully integrated regional institution, has tried to balance transnationalism with member-country sovereignty. However, both the euro crisis and the refugee crisis have made EU citizens resentful of policy decisions coming from Brussels. The rise of left-wing parties in Greece and Spain, the strengthened right-wing populist parties in Austria and Hungary, and the British vote to leave the EU all stem from and share in this resentment of Brussels, whether in response to imposed fiscal austerity or refugee quotas. For those who believe the distant EU authority compromises their local interests, national autonomy is gaining favor at the expense of multilateral cooperation.

The failure of mainstream political parties to account for the social discontent is a more immediate cause of the rise of populism. Disenchantment with the government or major parties is not a new phenomenon.
Political scientists have observed a mistrust of political elites and the establishment since the 1980s. What distinguishes recent years from the past is that populism is more focused and effectively mobilized to influence politics. Right-wing populists have founded new political parties that have gained substantial support. Furthermore, new political parties tend to weaken support for the existing majority parties. Even in the United States, where two major parties dominate, the Tea Party movement and the rise of Donald Trump embody the intra-party populism of the Republican Party, just as the rise of Bernie Sanders reflects the populism in the Democratic Party.1

In an article for Foreign Affairs, Michael Bröning points out that mainstream liberal and conservative parties in Europe alienated traditional supporters as they moved closer to the ideological center in the last decade, which left their disenchanted supports as easy targets for populists.2 The white male working class in economically declining areas is turning away from the Democratic Party and toward Donald Trump in the United States and to the UK Independence Party (UKIP) in Britain. In the recent Australian elections, the far right won working-class areas that used to side with the Social Democrats. Around the world, the more ideologically charged traditional party supporters of the older generation believe that they have lost their place in the leftist parties, which have tended to move toward the center by embracing lower taxes, free trade, and immigration—for example, Tony Blair’s New Labour, Gerhard Schroder’s Neue Mitte, and Barack Obama’s liberal social policies. Conservative parties have also moved toward more liberal policies to attract more voters, such as Angela Merkel’s giving up of nuclear energy and adoption of a more open immigration policy. While this shift to the center has allowed major parties to achieve some success, a significant chunk of their traditional supporters feel disconnected and are ready to embrace the appeals of populism.

**Populism Across Countries and Regions**

Populism in the twenty-first century began in Latin America with the 1998 election of Hugo Chavez in Venezuela. Later, the post-euro crisis southern Europe joined this leftist populism. In Latin America, Argentina, Bolivia, Brazil, Chile, Ecuador, Guyana, Peru, Uruguay, and Venezuela have all been led by presidents who adhere to varying degrees of leftist ideology and populist styles of governance. Jonathan Bissell writes that while 64 percent of Latin American presidents were from a “right” or “right-center” political party in the early 1990s, 71 percent—fifteen out of twenty-one countries—were from a left or center-left political party by the beginning of 2009.3 Bissell diagnosed this leftist shift as rooted in historical social inequality and a desire for a political reversal from the previously failed conservative governments. Despite their anti-American rhetoric, leftist populist leaders promoted regional institutions, such as the Bolivarian Alliance for the Peoples of Our America, the Union of South American Nations, the Common Market of the South (Mercosur), and the Andean Community of Nations. Accordingly, Bissell advised the U.S. government to use soft power and the West to deliver development and improve social inclusion.

The leftist populism of southern Europe is rooted in the belief that the recent economic crisis was poorly managed by the EU institutions; therefore, it is more critical of multilateral transnational institutions. Both Syriza in Greece and Podemos in Spain emerged amid the euro crisis. Their leaders, Alexis Tsipras and Pablo Iglesias, respectively, are critical of the EU’s austerity and neoliberal policies. They believe they speak in the name of the people, and that two groups of illegitimate elites stand opposite the people: the corrupt Greek political-economic elite and the international and European political-financial elite. Even as they oppose austerity, they want to receive ongoing financial support from the EU to distinguish themselves from euroskeptics.

Compared to the leftist populism that exists in Latin America and southern Europe, the populism in western and eastern Europe is right-wing and remains more concerned with cultural identity than economic insecurity. For decades, Jean-Marie Le Pen of the National Front pushed an extreme right-wing message with anti-Semitic elements. To broaden the party base, his daughter, Marine Le Pen, shifted the party toward an anti-immigration, anti-Islam stance and embraced anti-EU nationalism. Austria’s old right-wing party, the Freedom Party, took on an anti-immigration, anti-EU agenda under the leadership of Jörg Haider. Newly
founded right-wing parties are even adopting openly racist positions. Nigel Farage, the leader of the UKIP, founded in 1993, uses race-baiting rhetoric and blames immigrants for increasing crime and stealing British jobs. The Alternative for Germany party, founded in 2013 to protest the EU’s bailout politics in the euro crisis, has increased antiestablishment, anti-immigration, and anti-Islam populist messages under the new leadership of Frauke Petry. Conservative populist parties have been moving toward authoritarianism in Hungary and Poland as well. In the United States, Trump’s Mexico-bashing rhetoric and anti-immigration supporters share similarities with right-wing European populism.

While populism operates differently depending on the national context, it can be divided into two political views. Right-wing populism in Europe tends toward nationalism with a focus on immigration and identity issues. Left-wing populism in southern Europe and Latin America is opposed to austerity and other neoliberal policies of international institutions. However, populist movements, regardless of ideology, attack the political establishment as illegitimate and destabilize democracy based on mainstream parties.

**Challenges to International Order**

The leftist populism in Latin America is not threatening multilateral cooperation itself; rather, it challenges the liberal values of the existing international economic order. Leftist leaders in Latin America have pursued intra-regional cooperation that can assist the region’s economic development. They have also shown flexibility in working with the United States. They are neither a threat to security nor are they anti-immigration. While their protectionist tendencies of leftist leaders have the potential to diminish free trade, supporters of leftist populism can adapt rather easily when populist rule leads to poor economic performance. The real threat is to the consolidation of liberal democracy in the region. For example, Mitchell Seligson writes that nearly all surveys of Latin America have found that citizens hold their national legislatures and judiciaries in low regard, and the younger generation is more likely to support populist measures at the expense of liberal democracy.4

On the other hand, populism in Europe seems to be more focused on challenging multilateral cooperation. Both leftist and rightist populists in Europe oppose multilateral cooperation. They are critical of the EU and want to strengthen their own governments’ power vis-à-vis EU decision-makers in order to steer their country from the economic crisis. While sharing an antagonistic relationship with the EU, right-wing populists in western and eastern European countries are more concerned about their cultural identities and homogeneity. Accordingly, their political discourses are not simply limited to opposing refugee quotas imposed by EU leaders or existing immigration policies. Their messages are extreme and visceral and threaten cultural diversity and the rights of minorities, including Muslim immigrants. Racial prejudice has declined in Europe, but the current hostility accompanying the influx of new refugees is rekindling it. The exclusionary attitudes of rightists against Muslim communities isolate young Muslims and push them toward terrorist groups. As a result, terrorist attacks in Europe are committed increasingly by Muslim immigrants, not just by foreign terrorists.

**Steps to Address the Backlash Against Globalization**

The economic insecurity that accompanies globalization can only be ameliorated by international institutions better managing economic crises and national governments creating more inclusive economic policies. Unfortunately, the number of jobs will likely continue to shrink and the costs of welfare will rise. As countries grow more concerned about their domestic problems, European integration is likely to be weakened. If the United States falls for the “America First” slogan, the liberal international order will be seriously destabilized. Rather than dismissing populists as demagogues, smarter responses are needed. Changing both mainstream party politics and global governance seems to be the best option.

First, mainstream parties should change strategies for curbing the surge of populism. In a 2011 Chatham House report, Matthew Goodwin suggests that strategies of “engagement” (countering populist campaigns
at the grassroots level) and “interaction” (supporting contact and dialogue between different ethnic and cultural groups within a given community) are more effective and sustainable than “exclusion” (blocking populist parties), “defusing” (shifting the focus to the issues where mainstream parties have an advantage), “adoption” (embracing more restrictive politics on immigration and integration), and “principle” (debating with populist parties using evidence). Mainstream parties need to operate at the grassroots level in ways suitable to their national contexts in order to more directly weaken the antiestablishment sentiment of the supporters of populism. Inviting a populist party to join a coalition government is a risky but worthwhile option. Countries with proportional representation systems will have more chances to form a coalition government with a populist party than countries with majoritarian systems. Inviting populist parties to participate in governing exposes their performance to judgment from the voters. For example, after bringing down the Dutch government in 2012, Geert Wilders’s Freedom Party lost nine of its twenty-four seats.

Second, international institutions need to be more flexible and accommodating to the political atmosphere in member states. This need is particularly acute for countries experiencing economic crises. Left-wing populist parties oppose particular policies rather than the roles of international institutions themselves. Nationalistic populism is salient in the case of right-wing populism. On immigration and integration issues, right-wing populists are more anti-EU than leftist populists. As seen in the case of Brexit, right-wing populism can be more of a threat to the EU. To counter this disintegrative force, the EU needs to be more flexible in its immigration policies and allow member states greater discretionary power.

Third, international institutions should act more vigorously to solve the root causes of populism. The current wave of populism has strengthened due to failures of global governance. For example, if the Syrian crisis had ended quickly, the refugee crisis would not have occurred. If financial monitoring were more effective, the euro crisis could have been prevented. There is no way to counter the forces of globalization, but it is possible to manage its dark sides. For that reason, international institutions and forums should continue to make efforts to reform global governance so that it is more democratic and effective.

The UK referendum vote on June 23 to leave the European Union (EU) amounted to a populist coup d'état against the country's political, economic, and social elite.

It was the most successful populist insurrection to date in a mature liberal democracy in Europe. Although the referendum was supposed to be only advisory, the outcome has been interpreted by the UK government as an irreversible instruction to leave the EU, overturning a clear majority in the House of Commons, and the stated policy of both government and opposition.

It has caused a collapse across the center of the political spectrum, with the Conservative Party moving to the right to embrace Brexit as its official policy, along with a tough line on controlling immigration. The opposition Labour Party has moved sharply to the left under Jeremy Corbyn, a longtime left-wing rebel and lukewarm supporter of EU membership, who seized the party leadership with the support of an influx of new, young left-wing supporters.

All the traditional UK political parties of the center campaigned against Brexit, along with the major business lobbies, the City of London, and most of what might be called the British establishment. But they were opposed by an alliance of old-fashioned English nationalists on both the right and the left, backed by the most powerful tabloid newspapers, who successfully mobilized a coalition of angry voters united in their opposition to immigration, globalization, technological change, the London elite, bankers, and big business.

The vote has divided the country more bitterly than any recent election, splitting the population by education, age, income, geography, and social class.

According to Matt Goodwin, professor of politics at Kent University and associate fellow at Chatham House, “educational inequality was the strongest driver,” with support for the vote to leave 30 percentage points higher among those with minimal school-leaving qualifications against those with a university degree. “Support for Brexit was strongest in areas where a large proportion of the population did not have any qualifications and were ill-equipped to thrive amid a post-industrial and increasingly competitive economy that favors those with skills and is operating in the broader context of globalization,” Goodwin said.

The vote also divided voters by age, with a clear majority of pensioners supporting Brexit and an even larger majority of voters younger than twenty-five voting to remain in the EU. In the event, a much higher proportion of pensioners (some 83 percent) voted, as against only 36 percent of the 18–24 age group.
The other split was along geographical lines, with London and other major cities voting clearly to remain, along with Scotland and Northern Ireland, while the English and Welsh provinces voted firmly to leave.

The slogan that united Brexit voters was “bring back control,” which was clearly interpreted to mean, above all, the control of immigration, followed by control of legislation and spending.

The EU vote has left a vacuum in the middle ground of UK politics, and deep divisions between voters, after years in which the major political parties had pursued quite similar strategies of seeking to dominate the center in order to win power.

What does the British vote tell us about the rise of populism across Europe and the United States, and the threat it may pose to other liberal democracies and the international order?

The past three decades have seen a steady rise in populist groups across Europe, on both the left and right of the political spectrum, coinciding with the collapse of the Soviet Union; the rise of China; the acceleration of globalization, including trade, transportation and migration flows; and rapid technological change following the launch of the internet.

What many of the groups have in common is not simply a rejection of the modernization trends in the global economy but a cultural rejection of the social liberalism that has come to dominate Western political thinking. They tend to share a strong streak of nationalism and a desire to restrict migration flows and impose economic protection to preserve jobs in traditional industries.

That has certainly been true of the National Front in France, the first of the populist parties to gain serious political traction in the 1980s. It began as a protest group demanding “zero tolerance” on law and order, and protection of domestic jobs, and later became an anti-immigration and anti-EU party.

British populism came later, in the late 1990s, and was always more focused on objections to EU membership, immigration, and social liberalism.

In Germany, populist parties have tended to be confined to splinter groups of the far right and failed to gain serious political traction at the federal level, although periodically they won a few seats in state parliaments. They won wider support in the early 1990s, after unification, with protests against the influx of asylum seekers fleeing the Balkan wars.

Today, however, the Alternative for Germany, founded as a protest movement against the euro as a common currency for the EU, has gained wider support as an anti-immigration party. Although the party has split over the issue—with the original leaders of the anti-euro movement refusing to support the anti-immigration rhetoric of their supporters—it now looks set to win seats in the German Bundestag after next year’s election, with its support running around 13 percent in the polls.

Anti-immigration is the issue that unites all the right-wing populist parties of northern Europe. In the south, the leading populists are on the left, and their protests is primarily against the austerity measures imposed during the eurozone crisis.

In Eastern Europe, there are right-wing populists now in power in both Hungary and Poland, openly nationalist and very critical of the pooling of sovereignty in EU institutions. But their anger with Brussels concerns rather their refusal to accept refugee quotas shared among EU member states and their determination to curb an independent media and judiciary in their countries. Neither wants to leave the EU, which remains a big source of finance for respective economies.
Yet the populists on all sides, reflecting different degrees of nationalism, protectionism, and opposition to immigration and social liberalism, represent a serious threat to the multilateral cooperation, free trade, and open borders. In supporting simplistic answers to complex problems, they are automatically hostile to the consensus-driven process of decision-making in the EU and in other multilateral organizations.

New multinational trade deals, such as the Trans-Pacific Partnership (TTIP) for the United States and Asia, Transatlantic Trade and Investment Partnership (TTIP) for the United States and Europe, and the EU-Canada Comprehensive Economic and Trade Agreement (CETA), have faced an unprecedented backlash. The hostility of both Donald Trump and Bernie Sanders to the TPP deal forced Hillary Clinton to come out against it, calling into question its eventual ratification. Even in Germany, perhaps the world's quintessential trading nation, there is widespread hostility to TTIP, infecting the center-left Social Democratic Party, and even elements in the center-right Christian Democratic Union.

The backlash against globalization has coincided with a growing trend for trade agreements to try to tackle social and environmental standards, raising sensitive domestic political issues well beyond questions of tariff barriers. Opponents to CETA and TTIP have succeeded in making the previously uncontroversial investor-state dispute settlement procedure a focus of discontent against multinationals.

Much of the recent rise in populist sentiment against globalization and perceived corruption appears to be a belated backlash to the financial crash of 2008. At that time, urgent action within the Group of Twenty headed off the danger of slipping back into trade protectionism, as the world did in the 1930s.

But the perception that bankers failed to pay for their misdemeanours—for causing the crash—and that multinational corporations have continued to avoid, if not evade, their justifiable corporate tax bills wherever they operate have fueled the sentiment. If future trade deals are to survive national parliamentary scrutiny, they will have to ensure that multinational corporations pay their taxes and finance houses curb their worst excesses of speculation.

Globalization is a fact of life rather than a policy choice. So is global migration. Both need to be managed and controlled, but they can scarcely be entirely stopped without tipping the global economy into prolonged recession. That is a task for national politicians, as much as multinational institutions. But in so doing they will have to reverse the negative narratives—especially concerning migration—that they have allowed to dominate the media and political discourse.

Immigration is a macroeconomic bonus but a microeconomic challenge in many communities: taking far more active measures to ensure that migrant communities are successfully integrated and do not overburden public welfare systems is essential for the traditional political parties to head off the populist trend.

The other factor behind the rise in populism has been the explosion of communication across the internet. Conspiracy theories acquire far wider spurious justification by repetition through social media, and the self-reinforcing nature of algorithms that pander to prejudice, very much in the fashion of the tabloid press.

The media has a huge responsibility to ensure that false information is challenged and wild allegations disproved. That is a far harder task given the current explosion of information.
Panelist Paper

Populism as a Threat to Political Stability and Globalization

Council of Councils Ninth Regional Conference
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German Institute for International and Security Affairs, Berlin, Germany

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Over the last five weeks, South African university campuses countrywide have been a theater of war between students demanding free, fully funded, quality, and decolonized higher education and the university administrations and government whose fiscal space is extremely constrained. The student protests and demands, which started in September 2015, should not have taken the government by surprise, but the government has largely seen the protests as instigated and fomented by agents provocateurs intent on overthrowing it. This has meant the government response has been largely security related, although it made a belated announcement on September 19, 2016, that poor students would have free education, and all those whose parents earned below a certain threshold (US$43,000 per annum) would have no fee increases in 2017. The stark absence of leadership from the government, characterized by an unwillingness to deal with students directly on the content of their protests, has left the university administrations to bear the brunt of the anger and served to anger students and sow the seeds of further violence and vandalism.

The #FeesMustFall campaign, as it is known, while initially emanating from that single issue of fees, is now the launching pad for a bigger set of issues—resistance to the commodification of education and an expression of dissatisfaction with the rate and depth of change in the country two decades after the end of apartheid. Students are revolting against the fact that after twenty-two years of democracy, many of them and their families have not seen their lives change. They are still mired in poverty, with no jobs, no prospects without education and skills (but even that is not a guarantee), and reliant on state welfare grants for survival.

The demonstrations have been characterized by intransigence on the part of the small group of radical students on campuses that continues to try to shut down universities. Others are angry at the vandalism and violence that have come with it. But violent anger is born of a sense of powerlessness—“the only time the government listens is when we do this”—and they are tired of waiting. Change has to happen now, irrespective of reason or the ramifications. After waiting for the French gourmet kitchen expected after liberation and democracy, the protesters now want it to come in fast-food form.

Born out of a growing impatience with leadership that is out of touch with the realities of ordinary South Africans and the technological age when apps provide immediate self-gratification, this fast-food syndrome provides fertile grounds for populism—both through political parties and through their linkages to social movements.

On the heels of the worst massacre in democratic South Africa—against striking miners, in Marikana, in August 2012—the political landscape has shifted significantly. The old African National Congress (ANC)—
aligned trade unions, especially in the private sector, have been hollowed out, riven by factionalism, and new ones are taking the reins. The ANC itself is being challenged from the left: the Economic Freedom Fighters (EFF), a breakaway of the ANC led by the fiery former ANC Youth League President Julius Malema, has managed a strong showing for a new party in both national and local government elections. Its manifesto of nationalization, removal of the white capitalist class, state control of the organs of the economy, land expropriation without compensation, and the abolishment of foreign control and ownership of strategic sectors of the economy appeals to the excluded. Its radical program, however, if implemented, would also overturn the constitutional compact of 1994 and many of the principles ensconced in the constitution, with a profound effect on political and economic stability. This is populism writ large, and the EFF seldom misses an opportunity to get involved in protests, whether at Marikana, universities, or so-called land invasions.

In contrast to the more aloof and intellectual former President Thabo Mbeki, President Jacob Zuma has often presented himself in a populist way—as a traditionalist to the chiefs, as a proud Zulu to the Zulus, an anti-intellectual, anti-intellectual, and a leftist. The rise of the EFF has exacerbated this tendency, with the government adopting an increasingly populist stance on a number of issues, such as land, although it has been less able (and perhaps more cautious) to carry these issues through the legislative process. The government has also been unwilling to tackle xenophobia that continues to simmer below the surface, on occasion rearing its ugly head through violent attacks on mostly African foreigners and their businesses, as happened again last year. Rather, the president has chastised his fellow African leaders because they have been unable to stem the flow of economic migrants to South Africa.

**What Explains the Surge of Populism?**

In South Africa, the backlash against globalization is growing, fueled not only by the default ideological preferences of the ANC (a statist economic policy and strong anti-imperialist stance) but also by the reality that unemployment has not decreased even though for the first decade, South Africa tried to adopt a more neoliberal economic agenda. This does not absolve the national government of its mistakes in not effectively tackling some of the structural constraints the economy faces, but workers have been quick to blame the Washington consensus and have been advocating for a more populist agenda for some time.

Populism in South Africa has grown for many of the same reasons as in parts of the developed world: inequality and exclusion, and the erosion of the legitimacy of mainstream political parties as they become increasingly disconnected from the populace and their lived existence. This has created a space on the left and forced the more mainstream party, the ANC, to move in that direction.

The legacy of apartheid and the race-based dimension of South Africa’s capitalism have lent a racial dimension to this populism. The rhetoric of the EFF (and the ANC) reflects this societal division and is an easy mobilizing slogan, as witnessed starkly during the campaign for local government elections in August. South Africa’s populism largely emanates from the left, much less from the ultra-right.

In Europe and the United States, identity politics (chauvinist nationalism and anti-immigration) characterize the populism of the right, while populism of the left often focuses on inequality and income disparities. Support for trade protectionism seems to be shared by both. In South Africa, some of these themes overlap; there is both an identity (race and immigration) and a class-based dimension (race and capital) to the populism of the EFF and that of certain quarters in the ANC. In South Africa’s history of racial oppression, where most of the capital was held by whites, the opposition to capital and race is seen as one and the same.
The South African narrative of populism is similar to the populism in developed economies. The imperatives of ever greater globalization and the dominance of international capital undermine the sovereignty of states and their ability to determine policies that are necessary to tackle their specific socioeconomic challenges. But equally, the economic dimensions seem to have made it more acceptable for some of the deep-seated exclusionary identity politics to rear their head again.

There has also been a rise in populism in the politics of other African states. The sometimes negative consequences of globalization create the space for the emergence of an authoritarian populism that, if not checked, will undermine the strides that these countries have made in democracy and accountability in the last two decades.

**Populism’s Challenge to the International Order**

While the paper has focused on the South African manifestations of populism, the other dimension is how the rise of populism in the West is perceived in other parts of the world and its effect on the future of the international order.

Populism in the West (especially of the anti-immigration and chauvinist variety, but also protectionism) adds fuel to the fire of populism in countries such as South Africa. The resurgence of sovereignty in the West is mirrored in the global south, where elites have always fretted about the erosion of sovereignty by the rules of the U.S.-led international system, or the example of EU-led integration.

For many years now, rising powers and the developing world, in general, have called for the reform of the international institutions and the international order that underpins them. South Africa’s is a loud and consistent voice in these discussions. Many of the international institutions that make up the present system have become weak and unable to take bold steps in their architecture or in their mandate to correct the loss of legitimacy they have been facing for some years. Of course, much of the inertia is caused by states themselves and the influence of special interests.

In trade, the inability of the World Trade Organization to complete the Doha Development Round or to make any meaningful progress through multilateral, rather than plurilateral, platforms has given rise to the mega-regional agreements that include some states but exclude others. While the fate of mega-regional agreements hangs in the balance as a result of the populist backlash against free trade, their appearance has removed the locus of rulemaking to smaller groups of countries, although the rules may well bind others outside the decision-making group. Trade has brought tremendous benefits to the world in the last several decades, but the effects of economic dislocation has not been managed well.

In security, the global norm of responsibility to protect, while laudable, has resulted in the case of Libya, with untold regional and cross-regional security challenges related to state collapse, violent extremism, and migration. The recipes for greater peace and security, of which responsibility to protect is one, have foundered on the rocks of implementation and oversimplification of the problems. A greater emphasis on sovereignty in the West, while at the same time calling for its pooling elsewhere or in its diminution, have emboldened other states and fueled the narrative of neocolonial hegemony toward the developing world (here, the West plays under different rules). In South Africa, this has been most apparent in the recent announcement of its intention to withdraw from the International Criminal Court.

The fact that the exclusionary and ultranationalist rhetoric of parties, such as the National Front in France, has grown so popular as waves of migrants flood to Europe confirms in many developing countries that the West remains hypocritical and racist, intent on advancing its own narrow interests rather than the lofty values it speaks about.
Populism that is inward-looking and isolationist may well erode the principles and values of the human rights agenda in international affairs that have gradually evolved over the last century.

Populism further threatens to undermine the open international system of the last two decades, just when the world needs greater cooperation. Yet, ironically, while populism undermines the spirit of cooperation that should inbue multilateral negotiations and institutions, it may well put a brake on the train of hyperglobalization that Dani Rodrik, in his book *The Globalization Paradox*, cautioned about, and identify globalization’s trajectory as neither inevitable nor inexorable but as one that has to be managed to address and respond to the realities in different countries.

**Policy Recommendations**

The rise of populism has created an opportunity for international institutions to reflect on their mandates and on their architecture. However, member states need to take responsibility for this opportunity. Unfortunately, even in countries where populists are not in power, their effect is felt by the governing class, which often responds accordingly. The mantra of ‘take our country back,’ whether by Donald Trump or supporters of Brexit, makes the debate shrill and inimical to effective and rational negotiation and cooperation.

Larry Summers, in his piece on “responsible nationalism” has emphasized the unwillingness of people to be “intimidated by experts into supporting cosmopolitan outcomes.” That was seen clearly in the Brexit campaign. Kemal Dervis has argued for the urgent need for “a moderate, humanist, global and ‘constructive’ populism that can counter the extremists, not with complicated mathematical models . . . but with simple yet powerful ideas that resonate with millions.”

The world currently lacks strong national leaders who can make a powerful anti-populist case. Yet the anti-populist case has to be made. Although poverty has dropped over the past couple of decades, inequality has grown. This requires a serious reappraisal of the current economic models of development, the prescriptions for returning to economic growth, and a whittling down of the excessive power of the financial elite, focusing on the real economy drivers.

In a related vein, there are steps that international institutions and forums can take to address some of the backlash against globalization. The most significant in the realm of the global economy is to strike the right balance between the needs of the market and the development and welfare imperatives of a country. Greater international harmonization and regulation may be the answer for certain areas but not for others. Summers’s piece argues that countries should be allowed to “pursue their citizens’ economic welfare as a primary objective but where their ability to harm the interests of citizens elsewhere is circumscribed.”

For example, the issue of commercial tax evasion, which includes abusive transfer pricing and trade mispricing, would require greater international regulation and collaboration. At its worst, such tax evasion allows multinationals to abuse weak tax regimes and exploit loopholes to the detriment of revenue for the local economy in which their operations are based. While state corruption and poor governance too are critical dimensions of this problem, an international regime that plugged the loopholes would help create more sustainable revenue bases for countries. Here, forums such as the Group of Twenty and the various global financial regulatory bodies, such as the Financial Action Task Force, are significant.

On the other hand, a trading system that tries inexorably to liberalize all trade for all countries, especially without the conclusion of the Doha Round, runs the real risk of a huge backlash against free trade and a further rise in protectionist measures. Economic growth and trade have a symbiotic relationship. In the
current sluggish economic environment, having countries turn away from trade would be detrimental to an overall recovery and would hark back to the inter-world-war period that had dire outcomes. In the same way, the attempts to protect foreign investors through international dispute settlement mechanisms is also being seen as problematic, largely because it favors the multinational corporations over countries and their related domestic imperatives and associated shrinking policy space. South Africa’s new investment act explicitly excludes international arbitration, and the Transatlantic Trade and Investment Partnership negotiations have met similar objections in Europe. The message from countries and citizens is clear: one global community of harmonized rules is extremely difficult given the different realities on the ground.

In this milieu, policy institutes play a role in highlighting the broader trends across the world and their consequences. Too often, policymakers take isolated approaches to issues, not always seeing the linkages, the similarities, and the implications. While post-truth politics (or in the South African case, the renouncing of “clever blacks” as having lost their traditional roots and adopted the ways and the ideas of whites/West) militates against research and expertise, the challenge to think tanks is not to do less but to frame their research in more direct, accessible ways for both policymakers and the public. These institutions, too, need to appreciate that emotion often cannot be countered by careful technical argument but through dialogue that shows a real commitment understand those emotions and reflect that understanding in their prescriptions.