

Brussels Forum

March 22, 2015

Thought Experiment: The Brussels Forum Agenda in 2025

Dr. Ian Lesser: Good afternoon, everyone. Welcome to our final plenary session and as Nik sort of advertised before we went to coffee, this is an opportunity to take this conversation maybe in a little more traditional format but I'll go to all of you as well to take that conversation a little further ahead and, in fact, to take it to 2025.

I was very struck in our first day, the first plenary in fact, when High Representative Mogherini said at some point in her intervention it would really be great if you had a session on the agenda for Brussels Forum in 2025 and I thought to myself, that's really great and very convenient because we do and we had planned that, in fact, for an amount reasons and reasons I think you can understand because after 10 years it seemed to be a very logical point to pause and ask all of you to think a bit ahead, to do a bit of a thought experiment with us and to ask some big questions. We've got a really terrific set of people to discuss that with us to help us launch the conversation this afternoon. We have one addition, in fact, so I'll tell you maybe at the outset who is here.

President Ilves of Estonia, a very old friend of Brussels Forum, of GMF, thank you. Elena Lazarou, head of the Center for International Relations at the

Getúlio Vargas Foundation in Brazil, our addition to the panel this afternoon.

Cindy Miller, president for Europe at UPS and Senator Christopher Murphy from Connecticut who is with us. So, as you can see, a very diverse panel to treat a very diverse set of issues.

Before we start and before I go to them, I just wanted to say just another word about the kinds of issues we wanted to address. I think for those of you who've been at Brussels Forum for many years or those who are really here for the first time, I think you'll agree that we put a lot of big issues on the table in addition to some very kind of operational stuff. They don't have answers necessarily, these big questions about globalization versus nationalism, open versus closed societies, order versus chaos, integration versus disintegration, long-term power shifts and long-term shifts in the nature of power. We're not going to answer these questions but what we thought as part of this thought experiment might be interesting to think through is what more we might know about these questions in 2025 or will they still be open? And also maybe a little bit, if we can do it, you know, what are the new big things, the next big things, in transatlantic relations that we ought to be thinking about. Before I go to the panel here, I wanted to start in a little more technical way with our word cloud experiment to engage all of you.

And so if we have that cued up, if you would get hold of your devices and in a word, in a word, what will be the key issue for Brussels Forum in 2025? What

will be the key issue for Brussels Forum in 2025? Wow. This agenda will keep us busy for sure, but I think what's really very interesting about this is that it's a mixture, in fact, of places, of issues, of people and of shocks and that's very much what we wanted to talk about here and maybe President Ilves, if I could start with you, you know, your country is obviously at the center of some very big tectonic developments in terms of geopolitics so those might be one starting point but in other aspects, things that you might want to talk about, things that you think might have not gotten as much attention as we will need to devote to them in 2025 if we're sitting here, what should be on our list?

H.E. Toomas Hendrik Ilves: Well, let me begin since I've been to I think almost every Brussels Forum, and the first one, Estonia had been in the European Union and NATO for less than a year. Vladimir Putin was considered a liberal reformer and there had been no war in Georgia, there's nothing about Ukraine. I mean, all of this was--this was all completely unimaginable as we're in the era of looking into Putin's soul, as happened in Ljubljana. And so this is quite a change. And so if we're going to look at where we're going to be in 2025, I don't think we should really be--think that it's a simple projection of today because things change rapidly.

But some of the things that we might actually consider to worry about is what will be transatlantic relations or who will be in transatlantic relations? That is

today, will it consist of, you know, Reykjavík and Washington or will it be of London and Washington? Will NATO exist at that time? Given the fragility of NATO that a test of Article V that fails will immediately lead to a collapse of NATO? Because there's no way you could maintain that trust anymore. So those are some things that we should be aware of.

Certainly, if Europe does not develop a digital single market, and if we continue to pursue a protectionist agenda in Europe and we do not liberalize services, we will fall way behind The United States. And I fear that we are--when we fall behind, the response is rather to be protectionist. And when it comes to the digital world, I mean, we--ten years from now, we will have, I mean, to be really liberal and not to be over excited, we will have six iterations of Moore's Law in the next ten years, which brings is two to the six, which is 64, which means the price of anything, any chip what it is today, the same price, you will have a chip that's 64 times more powerful. So that the effects of the computer revolution or digital revolution are going to be huge. 2025, probably computing power will be strong enough that we will have lots of jobs gone because you won't have taxi drivers and you won't have long-range truck drivers and all kinds of other jobs that today, we still think humans can do. But in ten years, they will be done and you will be driven probably with far less cheating, from my Brussels days, by the taxi driver than you have today. But that taxi driver will be unemployed or will have to have

been retrained. And those are two trends, I would say. And I'll mention some more later.

Dr. Ian Lesser: But if I could just pick up maybe on that very last comment that you made, that it's not the cash dispersions on taxi drivers or anything of that kind, but the political implications of that kind of a world, of that kind of economic revolution, could be profound.

H.E. Toomas Hendrik Ilves: They will be.

Dr. Ian Lesser: Will they be positive or negative?

H.E. Toomas Hendrik Ilves: I think they'll be both. I think the quality of health care will dramatically increase, people will live longer, but if you're unemployed, what's the use?

Dr. Ian Lesser: Senator Murphy, maybe I can come to you, to switch over to this side. The United States is not a fixed variable in all of this. And whether it's a question of American interests and what should be on the agenda in 2025 or whether it's European curiosity about what the United States will be doing and want that on the agenda in 2025. What do you see from your perspective looking out that's going to be critical for the United States to be talking about in that period?

The Hon. Christopher Murphy: I think one of the things you can learn from the last ten years is the sustainability of American resiliency. America, despite the

dysfunction of our political system, has been able to adapt, stay ahead of the curve, a country with a growing economy, declining deficits, energy independence, demographics that look fairly good. I think that from our perspective, the one thing that seems to remain constant is our ability to be resilient in the face of a changing world.

I think domestically, our challenge is going to be whether we have the resources to meet all of the challenges that we are asked to confront. And if you don't have an ability for Europe to stand together and devote resources to all of these diverse challenges, if China isn't ready yet to really play a role outside of their immediate neighborhood, then is there the ability inside the United States to be able to allocate the money that's going to be necessary for economic development, public diplomacy, new ways of communicating with the world to push back against propaganda that are going to be required. And the reality is is that as The United States gets older, as more and more of our budget is dedicated to things like Social Security and Medicare and Medicaid, there is less willingness and less room to be able to try to play the kind of robust role in the world that we are going to be asked to be played. Should Europe lock down? Should China still remain as a regional power? I think that question of American resources devoted to the world is going to be one of the great questions over the next ten years.

Dr. Ian Lesser: If I could just follow up on that. Is there a danger, as well, that The United States, in some sense, will also turn inward, lock down, be less engaged, in particular, care less about these issues, transatlantic relations? I know there's a lot of concern in this room about that. I mean, what's your take?

The Hon. Christopher Murphy: So, again, I think this sort of speaks to, you know, maybe this concept of American resiliency. I think two years ago you would've really worried about that. You would've said, well, there's this war wariness, this growing isolationism in The United States. Rand Paul is now dominating the Republican Party and they start to look inward rather than outward. In one or two years' time, that story has been flipped. We went from polling telling us that you had record numbers of Americans who think that we are too involved in the world to new polling telling you that Americans now want to see us with a more forward-looking footprint. Why? Because we see new risks to U.S. security that we didn't see a year or two ago. And so now Americans are ready to put new resources into the Middle East, to fight new terrorist groups that didn't exist a year ago.

So I think that the American people are always willing to take a look at new facts on the ground, globally, and respond to it. And I guess that's what leaves me optimistic that we'll be able to--the public opinion will force the United States Congress to shift to a point to meet a lot of these new challenges, whatever they

are. I admit that President Ilves is right, we likely aren't going to be able to predict today what they are ten years from now. The question is are we, as a nation, able to respond to whatever it is?

Dr. Ian Lesser: Okay. Elena, maybe I could turn to you now. I mean, you have a rather unique perspective on all of this. I mean, you've got various--whether you're talking about the Greek situation or the Brazilian situation or the European situation, in general, you've been looking at a lot of this. I mean, just to reflect a little bit on this, because you might actually be here in 2025 in this room.

Ms. Elena Lazarou: Hopefully.

The Hon. Christopher Murphy: Wait, wait, what about us?

Dr. Ian Lesser: I hope we're all here. What will be on the agenda?

Ms. Elena Lazarou: Well, first of all, thank you very much, Ian, for letting me participate, for asking me to participate on this very prestigious panel. If I may bring in a sort of maybe global south, European south and perhaps young generation, I think, perspective--

Dr. Ian Lesser: Please.

Ms. Elena Lazarou: I'm on the borderline right now. I think what this approach, or rather these people coming from these areas in this generation are thinking when they think of the Brussels Forum 2025 is not what will we be talking about but who will be talking about things. I think the world is going

through an immense process of restructuring of global governance in the moment. If you look at this issue from a global south perspective, we are at a very important moment of seeing the BRICS and emerging powers challenging the existing global governance structure. Esther Brimmer mentioned yesterday that we're seeing new institutions being formed. The BRICS just formed their new development bank. We don't know how this is going to be going.

But the truth is, I saw no one in the cloud writing transatlantic in the Brussels Forum 2025 issues. And I think that is because there is largely an expectation that it won't be just the U.S. and the E.U. talking transatlantic in 2025. The issues will be so globalized, so interrelated, we might be seeing competition of norms coming from different institutions, if, globally, we don't manage to find consent on what should be the norms governing the world. So I think this will be a very important issue to look at.

A second thing I wanted to mention, again, from the Brazilian global south and Greek perspective is demographics. The various crises we're seeing at the moment in the world, be they economic crises or security crises, are leading to huge population shifts at the moment. And countries like Brazil and Greece-- Greece is already seeing huge migration flows, brain drain, towards northern countries. And countries like Brazil and South Africa, if the BRICS bet, if the BRICS experiment does not work, if we do not seek sustained growth, if we do not

see innovation, infrastructure development, in five years from now, we'll be seeing that there, too. So demographics will be changing and I think we really will be talking about this in 2025. I'll leave it at that.

Dr. Ian Lesser: Exactly. And there's something we're going to pick up on in a moment, as well, something that you mentioned about who should be in the room. But we'll come back to that in a little bit.

Cindy Miller, maybe I could come to you now just to provide us with a business perspective on this. And it's a number I think almost everyone has alluded, in-fact, in some way to the economic--potential for economic revolutions. And I know you've been thinking a lot about demographics, as well, in your business. Maybe just reflect a little bit on that. In 2025, we're going to have an agenda that will look like what or should look like what, from a business point of view?

Ms. Cindy Miller: Well, thank you. I think a couple of things. UPS is a century old, so we carry six percent of the U.S. GDP, two percent of global GDP. So I think truly, while I'm not an economist, we have seen trends. We have seen what has happened in the last 100 years. And one of the things that I will say is an even more interesting phenomenon is the fact that in the last 20 years, over a billion people, based on more global trade, over a billion people have come out of extreme poverty. So that took 20 years previously with yesterday's technology. I

think in 2025, we're going to be talking about something completely different, with over a billion people still living off of \$1.25 a day around the world. I think the 2025 engagement, the economic and the trade piece of it, will continue to go on. We'll maybe even have a little bit more of a forefront to play, but it has to be tied in with technology.

If we take a look also at what we believe the economy will be, there's estimates that by 2025, the global economy will be \$50 trillion. There's estimates-- I can take a look just with ecommerce and how the consumer around the world, the global consumer is--while they may be disconnected, politically or they may be disconnected in some countries that aren't in the forefront of development, they're still a very major voice in this global ecommerce explosion. I believe it was in 2013, there was, I think in euros alone, close to 370 billion euros worth of commerce done in 2013 here in Europe, just in transactional monies. And I believe that was about a 16 or 17 percent increase from the year before.

So I think if we underestimate the power of that voice in the next ten years, I think we will really be missing the mark and I think politics in general needs to take a lesson from technology and to tap into that voice. Because there is a community of discussion that's going on. And the more that borders try to stop that discussion politically, I think it will continue to move from an economic perspective and I think politics would be smarter to get in front of it and to get

greater engagement from a trade perspective, whether it's TTIP, whether it's TPP or whatever the next one is in the next ten years.

So I think economics and trade always lead and I think the more we get around the digital commerce piece from a European perspective, I think the better off Europe and the U.S. will continue to be at least players in 2025.

Dr. Ian Lesser: President Ilves?

H.E. Toomas Hendrik Ilves: Let me say, one of the things that has happened in the past, I mean, sort of a side development in addition to the end of history that we now see returning, is the immensely successful rise of kleptocratic authoritarian capitalism.

And this is why I've very dubious about the BRICS. Brazil is a democracy. India is a democracy. But we see, in Europe, the incredibly corrosive effects of kleptocratic authoritarian capitalism. With politicians in the past, since 2004, we have seen major politicians turn out to have been bought. We see an immense assault on liberal democratic values. In fact, one way of conceptualizing what we see going on not only in Ukraine but also with the financial support given to far-right parties from Russia, was characterized by the head of the National Endowment for Democracy in a piece in the Washington Post called it is a counter-enlightenment containment policy, the idea being that we, you know, we have to fight against these things, such as liberal democratic values and solid institutions

and lack of corruption, and in fact when you can buy politicians, when you can give money to Front National to the tune of 40 million euros, I'm very afraid that-- this is why I started off saying I'm not sure what will be, who will be in the transatlantic relationship.

If Front National wins in France, Mrs. Le Pen will take France out of NATO. What will be left? I mean, these are serious issues we have to deal with, and this is why I've always been dubious about the BRICS because two out of the four are democratic countries, and just making money is not the criteria, having economic growth is not just the criteria, and as we've seen, all too many countries where you have authoritarian governments can make far more rapid decisions than going through the parliamentary process. So that is, I think, a big, big challenge we will face, more in--I don't think it's an issue that we have to worry about too much in the United States, but certainly in Europe we won't necessarily have the same configuration.

I mean, again, you look at the parties. An extreme left, Trotskyite party, together with an extreme right, occasionally even anti-Semitic party in a coalition in Greece is not really--does not bode well for the future of democracy more broadly in what we assumed had been one in the Cold War.

Dr. Ian Lesser: Elena, I'll come to you, but I also was wondering if you could maybe speculate, in the vein of these shocks that might affect us, not only

from now until 2025 but maybe even sooner than that, how likely is it that a major European country will be dominated by populist politics, populist parties of a kind that we've not seen, or not seen in power in large countries for a while? What would that mean for all of us? I mean obviously for Europe but also for the United States, what would it mean for open or closed economies, you know, what would it mean for those outside of Europe, Elena, that or other things?

Ms. Elena Lazarou: Well, first I'd like to pick up on something President Ilves said. I don't think this is about whether we are skeptical about the BRICS or not skeptical about the BRICS. We have been skeptical, we, I speak as a European now, about the BRICS ever since the term BRICS was coined, and if Jim O'Neill had ever imagined that the BRICS would for a bank or any type of institution in 2002, I think he didn't, I think he would've been a very--a person with a lot of foresight.

But I think what is more important there, beyond skepticism, is that it was the skepticism about the BRICS that led to not including them very strongly in the existing institutional structures, and that in itself led to them creating alternative structures, which we do not know yet whether they will be incorporated in existing ones or be antagonistic to them.

But the point is those voices that are emerging and are, economically at least, powerful, I think we should think of them and include them because

otherwise we run the risk of potentially in 10 years having two competing systems of norms, two competing systems of values. And I think if that's the case in 2025, we will really be discussing this here because it will be much more important if the TPP and the TTIP have been signed. It will mean a lot of things about the multilateral trading system, the collective security system. So that's why I think it's important to take them into consideration, my opinion about, you know, Russian oligarchs aside.

About your question regarding populism taking over a large European country, I don't think I'm the right person to respond to this, but I would say this. I would say that before it happens to a large European country, the experiment might be a smaller European country, and that would have the effect on whether it happens elsewhere.

I am--I think, scapegoatism in a union that aims to be even more integrated is a big problem, and so I think if this is something that needs to be avoided, it should be a collective effort to not have an example, not set an example to be followed or not to be followed. That's my comment. Thanks.

Dr. Ian Lesser: Senator Murphy, maybe I could ask you, I mean, just to reflect on that. You know, the United States in some ways is used to seeing Europe as a place of, you know, gentle trends and not too many shocks. The shocks emanated from elsewhere. I know we've had some counter-examples of that

recently, but certainly in terms of trends, we haven't thought of Europe as a sort of trendsetting place in many ways.

What difference would it make to American interests if something more shocking, more discontinuous, politically or economically, were to happen in Europe over the next decade?

The Hon. Christopher Murphy: Well, I think, you know, President Ilves noted one, which would be the implosion of NATO over a disagreement regarding the sanctity of Article 5. That would be life-changing for the United States to have that kind of break with a continent and an alliance that has been at the center of most everything that we have done internationally.

Should there be a reckoning on the structure and status of the European Union, I'm not sure that that would have as large an effect to the United States. We still can have strong bilateral relationships, economic bilateral relationships with Europe. So I think a dislocation of NATO is much more catastrophic for the United States, much harder for us to put back together than would be a dislocation of the European Union itself. So I think it'll just depend on the type.

Dr. Ian Lesser: Cindy, if I may, from your perspective, what are the shocks that you can imagine affecting your world here that would make it pretty tough, or maybe a lot easier?

Ms. Cindy Miller: Well, I think from an overall business perspective, I'll give you an example. If we were to take India, goods flow very well in and out of India. They don't flow within India very well. And obviously we understand that from an infrastructure perspective, and I think that in order for, for whether it's the U.S. and Europe, from an overall partnership perspective and an advancement, I think a shock would be if borders start to go up.

One of the things that UPS did 40 years ago, well, almost 40 years ago, 39 years ago, we invested in Europe, in Germany, and that's where we started. We've been here for 40 years, and the single most, I think, thing that helped get those billion people, you know, raise their level of economy has been just that the borders have come down, and trade has been able to flow.

If you start to take individual countries, where now it becomes onerous, I will share this with you from the voice of, let's say, the small customer. We surveyed 7,000 small customers and medium-sized customers throughout Europe in the seven major economies, and they gave, they listed three reasons as to why they don't trade outside of their border. And the very first one had to do with how onerous export rules and regulations are, how costly they are to engage in and understand, and then there was also question about, I believe it was discussed earlier, about, let's say, Internet security, some cybersecurity, and then their question was on damages and loss.

But as borders go up, we make sure that 99 percent of all European business are small SMEs. You're looking at borders going up. You know, what does it do to the infrastructure within those countries? You know, there's only so many consumers to keep that many businesses going, and while it may end up being a trend, I think it would be a shock, I think it would certainly hurt business in general. That \$50 trillion mark for 2025, that 73 increase, obviously would never be hit. And then you just look at everything else that would be also held back as a result of that. It would be obviously very, very devastating, I think, for the global efforts.

Dr. Ian Lesser: Several of you have mentioned, in one way or another, beyond the question of issues that should be on the agenda, it's a question of people, also, their behavior, their misbehavior, their contributions to the debate, et cetera. So we wanted to sort of go, maybe before I open it up to all of you, with another word cloud and ask: Beyond the issues, and if we could cue this up, and if you could get your devices, in a word, who will we need to have in this room in 2025? Who will we need to have in this room in 2025?

I mean, the unstated piece of this, of course, is who we may not already have, but that's different. Aha, okay, well some of this--well, we give ourselves some credit. Some of this we've done, I think, especially...

H.E. Toomas Hendrik Ilves: I would interrupt you. I think they are completely wrong if you think youth has to be here because it's going to be a vastly smaller minority than it is today because the real problem is that we're going to have a lot of old people because our health care is getting better, and we're going to retire at the same age.

Dr. Ian Lesser: No, it's serious.

H.E. Toomas Hendrik Ilves: It's a serious problem. It is precisely what the EU will face in 10 years in a dramatic way is that we will have--given our birth rate and given the extension of longevity thanks to developments in medicine, the real people who will alter the entire future of Europe in ways we cannot foresee is that the overwhelming preponderance of people over 65.

Dr. Ian Lesser: No, it's a terrific point, actually, and, you know, you could imagine this affecting not just social systems and social security and all the rest of it, obviously, economies, but even the propensity for conflict and cooperation. You know, who will want to go to war with that kind of demography? It's a very key question.

H.E. Toomas Hendrik Ilves: Whatever occurs, that's why we don't have armies in Europe and we're so pacifist, because we're all...

Dr. Ian Lesser: That's right. Edward Luttwak wrote about that in a very well-known part of...

H.E. Toomas Hendrik Ilves: Right, Luttwak, right.

Dr. Ian Lesser: From a foreign affairs article some years ago about the (inaudible). Let me open it up to all of you. On any of these issues, issues or people, the agenda, what's missing, what could shock us. Maybe we should hear more about that, as well, and lots of hands. So I'm going to go right here first, please.

Ms. Theresa Fallon: Theresa Fallon, European Institute of Asian Studies. One of the people that might be in this room in 2025 might be the head of the greater China neighborhood. China has declared Europe part of their greater neighborhood policy, and even today Professor Yang said China and Europe are already part of the Eurasian landmass, so even their policy towards Europe is greater neighborhood policy. So I think one of the biggest--and it won't be a shock, it's happening step by step by step, so this kind of pivoting to Europe from China, growing the Silk Road, the greater belt, the maritime security issues, this is a very important issue. And how will the transatlantic alliance, will they be able to weather something like this? And also Ms. Vargas' comments about the BRICS, I think that was very insightful because right now, even Christine Lagarde from IMF just mentioned, in a press statement, that the IMF will cooperate with the AIIB.

So we're seeing the creaking international financial institutions, we're seeing a major shift. So I think that maybe the panel can further discuss that. Thank you very much.

Dr. Ian Lesser: Absolutely. No, thank you. So a question about pivot not only in the world but in our agenda. Maybe if someone would like to pick up on that one immediately. Elena, come on in.

Ms. Elena Lazarou: Thank you very much for that point. I think it really proves what I was saying earlier, that in facing the emergence of these new powers, however one wants to call them, we are facing gradually the duplication of existing kinds of policies coming from these states. I mean, neighborhood policy, if you just put the word out there, normally you'd think about the European Union, European neighborhood policy. Now China is extending it, too. The European Union is in a process of opening consultations about revamping its neighborhood policy because it hasn't been as successful as was hoped.

So I think we'll be seeing these kinds of things, and the way to deal with that in 2025 is to see where does the one neighborhood meet the other, how these countries can work together with Europe and ultimately get out of the smaller sort of framework of thinking narrowly about transatlantic and extending the way we think about it, especially in a meeting like this, which is not governments, and try

to think how these neighborhoods, how these policies can work to the benefit of various partners, not just Europe and the U.S. but all of them.

Ms. Cindy Miller: And I think to add to that, it's very, very important from a BRICS perspective for us to understand one thing that was mentioned a little bit earlier, talking about the digital age, because one of the things that many of us--we all live and have different things in our homes, and there's different cultures and there's different ways that we do our lives--but one of the things that is remaining constant, whether you look at the booming technology growth in any of the BRICS, is people are connected digitally. And I think that that connection is really--I don't know if you want to say expanding the neighborhood or shrinking the neighborhood, depending on how you look at it--but I think it's going to be very, very imperative from an overall shock perspective, I think, that so many entities, whether it's a political entity or even businesses, look to stand to become so irrelevant in such a short period of time. I think that'll speed up much quicker based on the fact that, while lives are different, from India to Brazil to Norway, a lot of people are connected whether it's with a phone or it's doing something. And I think that the discussion on that single digital, that push to digital, and that engagement from a technology perspective, needs to really, I think, almost be at the forefront of what the collective discussion is about, or groups will get together and move in different directions and there could very well be local governments or

larger institutions that are left wondering, you know, Where did everybody go?, Why are we irrelevant? Why doesn't anybody care? So I think that voice is very, very important--not just transatlantic but also within that BRICS--because communication is taking place right now.

The Hon. Christopher Murphy: There were digital developments that have occurred since the beginning of Brussels Forum that spurred revolutions that you could've never predict 10 years ago. And two of the words in the initial word cloud were "inclusion" and "transparency". Of course, the digital revolution should be poised in order to answer both of those concerns, right? It's a tool that can connect governments and elites with people who feel dispossessed and on the outside; you heard an example in the previous panel of a local city councilman in Brooklyn who's using technology to go out and ask his constituents to take part in governance.

And then of course it should be a tool for transparency. You have these kleptocracies and this corruption that could be, can be, exposed by new digital tools. And so the question between today and 10 years from now is, What are the new digital revolutions?, what are the new technological revolutions?, and are they able to do what the last 10 years have not, which is address these issues of transparency, being able to see what's happening inside governments in a way that we can't today?, and allowing people who feel dispossessed or disenfranchised to

have a say in government rather than just using these tools in order to protest governments and to speak out against the fact that their voices are not being heard?

Mr. Toomas Hendrik Ilves: But I would--, being Estonian I'll have to offer the dystopic alternative which is that while we see this rise in technology, even the experience of, say, the ITU, which attempted to regulate the Internet in ways that would probably rather restrict, censor, keep out information. And this is one reason why I think that it is our task to dismantle the concept of the BRICS and include countries that are democratic and, I mean, who support liberal democratic values. I mean, I know, 'cause I did the ICANN Report. I mean, Brazil was clearly in the camp of the free and open Internet. And then, again, there are countries that are against a free and open Internet, and think it should be regulated by governments which are not democratic necessarily. And so if we're going to talk about inclusion, it shouldn't be just everybody; but I think we will be seeing in the future more and more standards being set of, okay, we want you in the club. Brazil was not in the club because Estonia was not in the club, but of course we're small. But we were not in the club, you weren't in the club, but you will be in the club because we need to get the democracies together. Because, again, I mean, this technology can be used any kinds, many kinds of ways; and if you read Evgeny Morozov on the Internet--I mean, in fact it's one of the greatest tools ever for repressing freedom of speech.

Dr. Ian Lesser: Let me go to a Brazilian, in fact, just on the aisle, there, please.

Mr. Sergio Fausto: My name is Sergio Fausto from Brazil. I'm the executive director of the Fernando Henrique Cardoso Foundation, think tank created by the former President of Brazil. Basically, three points: The first one is, I'm taking, let's say, a larger Latin American perspective. I'm quite optimistic looking into the future, the not so distant future, 2025, with regards to hemispheric relations in the Americas. I think it's hard to exaggerate the importance of the normalization of the U.S.-Cuba relations for the region as a whole, in terms of strengthening democratic trends and in stabilizing and in diminishing security threats in the region. In addition to that, I think it's important to shed light on another major break-through going on in the region which is, we are on the verge of the end of the guerilla warfare in Colombia, right? A process in which Cuba has been playing a critical role. And also, another important trend, and I'll try to be brief, is this huge integration of the Latino community in the U.S. In the long term, this is the most powerful integrative trend that we have in the hemisphere. So I'm quite optimistic when I look to the Americas.

I think Europe is in the eye of hurricane, right? Europe is the big issue. And in this respect, I would emphasize three different challenges, and my point here is to make clear that I think there is a hierarchy of risks here. One risk or challenge is

to deepen European Union integration and deal at the same time with the democratic deficit, right?

The other one is Russia's Putin, right? I think Putin might be seen as a blessing in disguise, right? It's really a threat in the short term, but since I believe Russia's a submerging country, a power, can cause a lot of trouble in the submerging process, but on the other side, Putin's assertiveness, aggressiveness, made all the more clear the relevance of the European Union to all its members, right? And neighbors around.

The critical issue here, and this is on the top of my risk list, is political Islam. Clearly. Not only because of the trouble in the Middle East and the ripple effects of the trouble in the Middle East, but the fact that you have a huge Muslim community inside Europe. And this is an unprecedented risk faced by Europe that can alter the very functioning--not only of security system, but of the democratic system, within Europe.

Dr. Ian Lesser: Sergio, thank you very much. Lots to pick up on there if you would like to. A lot of risks, a lot of possible turning points, lots of questions of integration but also disintegration. There was an interesting question about integration in the United States, but also lack of integration, if I could interpret it that way, in Europe, of Muslim communities. That's going to be on our agenda in 2025, I'm fairly sure. What will it look like?

The Hon. Christopher Murphy: It'll be there.

Dr. Ian Lesser: Okay. Please, just right here.

Mr. Alex Harris: Thank you. My name's Alex Harris. I'm from PWC in the U.K. I want us to go back to the issue of technology. And I can see, and I've been speaking to a delegate from Estonia who's been telling me about the SmartCard system which seems like it has a lot of applications. And it seems to be changing the way, as you've discussed, governments are interacting with the public and the general population. But what I'd be really interested to hear about, and I haven't been able to find much out about, is how you think these new technologies are going to affect the way in which governments interact. I mean, do you think there's going to any change? Is it going to bring them closer together? Or, I mean, there's less face time? And is that going to have implications?

Dr. Mostafa Terrab: I'll tell you how I see Europe in 2025 from a digital point of view, which is that, and we've embarked with Finland on this, but that you can travel anywhere in Europe with your I.D. Card, SmartCard, and be able, if you take out your prescription if you lose your medicine anywhere, because you can always do it in my country and shortly we'll be able to do it between Finland and Estonia, or if you get sick you go to the doctor and he logs on with your card and looks at your medical record in his language. So if I go to Greece from Estonia, he can read my medical records, and then we do this across everything else. But this

assumes there is a level of technological sophistication and security, which you can only get with a two-factor PKI system, if that means anything to you.

But, on the other hand, it will change dramatically the relations of the citizen to the government. We have a once-only law in Estonia, which means the government may never, ever ask you for any information it already has; so you never have to fill out your address, whatever. And what it will lead to, I would say, is a lot of movement of people; but it may not, I don't know how it will necessarily affect governments, except the governments that will pick up on something like this will be developing common standard of relationships with its citizens and the governments that don't do that, and I can think of a few that won't do that, will maintain a more traditional relationship with its citizens.

Dr. Ian Lesser: Technology and governance. Elena.

Ms. Elena Lazarou: Yeah, I was going to pick up on the previous point about the regional integration. I wasn't sure if you were looking for a comment or not.

Elena.

Ms. Elena Lazarou: Yeah, I was going to pick up on the previous point about the regional integration. I wasn't sure if you were looking for a comment or not.

Dr. Ian Lesser: Please.

Ms. Elena Lazarou: What I was thinking in response to the comment made is that I think by 2025 if the trends continue the way they're going, we're going to

see a lot of interest-based regional integration, and sectoral regional integration. Latin America is indeed going towards various directions in terms of regional integration, but it's not regionalism as we were thinking about it in the '60s and '70s, ever closer union, that kind of regionalism; it's linkages in infrastructure development, getting together on trade in certain issues, getting together on social security issues. But it's not creating a European union of sorts. So I think we're going to be very different types of regionalism by 2025. And especially if the TTIP and the TPP are signed, I'm not sure what that will mean for hemispheric integration. Because that will have a number of the countries in those mega trade agreements, but it will also leave a lot of other countries with very different ideological views outside. So I'm not sure how that will work in terms of the region.

Dr. Ian Lesser: It could have a lot of interesting implications for who should be in this room, too. Which is part of our issue here as well. Please, just right over here.

Ms. Brenda Shaffer: Thank you. Hi, I'm Brenda Shaffer from Georgetown University. This is a question for President Ilves: We've all learned about the challenges of hybrid warfare. But what about hybrid elections? And if you mentioned how external intervention in democratic processes in Europe, How do we protect countries, especially small countries bordering Russia, from

intervention in electoral processes? We've seen a former Russian citizen elected Prime Minister of Georgia, we've seen a Russian citizen run heavy opposition in presidential elections in Azerbaijan, we've seen a Russian citizen run for election in Latvia. How do you preserve open society and at the same time protect your elections from external intervention in a place like Estonia?

Mr. Toomas Hendrik Ilves: At least in the case of Latvia, I'm quite sure that you may be an ethnic Russian and I'm a quarter Russian, but you have to be a citizen of Estonia or Latvia to run for office. So it's not a Russian--, I mean, ethnicity doesn't have anything to do. Well, I mean, all I can say about elections is that one-third of people, the electorate in the elections on March 1, cast their vote electronically using their digital I.D. And this--all people say, "Oh, is that susceptible to disruption?" But since we have a hundred million transactions a year using the same card, mainly financial, and no one's had their money stolen, in fact, it's far more secure, we're not too worried about someone changing a vote. You can only change one, I mean, even theoretically; but it's very odd to hear other countries in Europe say, No, we don't think that's trustworthy and then they turn out to have 15 percent of their votes on paper in envelopes that go to the election commission. You think that's secure?

The Hon. Christopher Murphy: Now just one additional point of potential shock is a European or NATO country giving up on elections and democracy,

right? You've seen this trend towards authoritarianism, this attraction to the Putin style of governance, civil liberties and participatory democracy being eroded, most clearly in Turkey, but in other places like Hungary.

What if, over the next 10 years, you were to have a democracy go under somewhere within the alliance. What would that mean? That would certainly be a topic for discussion 10 years from now. We shouldn't simply assume that elections are going to continue to take place in all of the countries that they take place in today.

Dr. Ian Lesser: Okay. David Ignatius, please.

Mr. David Ignatius: Following on Senator Murphy's comment, around the time of the first Brussels Forum 10 years ago, there was a book published by a man, I think his name, Thomas Barnett, called *The Pentagon's New Map*. And he proposed that in the future, we would see a world that was divided between countries that he characterized as the integrating core. And those were countries where there was a rule of law, globalization of different kinds of political systems, but reliability of the transactions that were made could be enforced.

And then there'd be a non-integrating gap. And these gap countries would be lawless, they would be increasingly difficult for travel, for commerce where you're not talking on your cell phone, but you need to deliver a product. UPS needs to send that parcel to you reliably.

And I hate to say it, but in the 10 years since he wrote that book, I worry that that's more and more a possible picture, not just of today, but of the future 10 years from now, that we'll be thinking about an integrating core. Will Russia be in that? I mean, if Russia keeps going in Putin's direction, the rule of law will decay even more. I mean, the worry is that Russia will separate itself from this integrated system of transactions.

And then there'll be these gap countries. How will we travel to them? So, maybe the Brussels Forum in 10 years, one of our concerns will be how to get all the delegates we want to come to get here safely.

Dr. Ian Lesser: Marc--and I'm going to come back to you all in a moment. Marc Leland, please. Chairman Leland. He's coming.

Mr. Marc Leland: Well, following up on both Senator and David, you didn't ask the question to which I think is the first question. And will there be a Brussels Forum. I mean, we did it for 10 years. My view of having been to nine of the 10 years is that the trust in the transatlantic community has gone down, not up. It's become more bilateral. We used to have at this meeting the heads of EU came. Ron Von Rompuy came. The--and they stayed the whole time.

Neither Tusk is here, nor--they're not taking any--we're looking much more bilateral than we did 10 years ago. The trust is not there. So the question is, all of the issues that the President gives and the Senate, they'll be around. I mean, you're

going to have security issues, and I agree with the Senator that the biggest--I don't think NATO--you may have people pull out of NATO, and you may even have Article V kind of ignored, which it shouldn't be.

I mean, we did have--France did pull out at one point, and NATO went on existing. So. So it's a question of how that gets handled.

These issues will all be issues. And I think your point about the billion people, I mean, is a very basic one. There will be another billion. And their voice and how it will work will--all of that will be--but whether or not the relevance of the work we do on the quote transatlantic issue which we've always done on common values, I would--maybe because I live in London. There'll be Brexit. There'll be Grexit, which is Greeks pulling out of the euro. I mean, you're looking on the polls, we should have Peter here, the pollster of the chances of any of that happening, which--and somehow or another, Brussels itself has not become a more major union in the last 10 years, in my humble opinion, than it was 10 years ago.

So I think you're going to have all these issues, but, Ian, you may have to think of a new forum and we may have to invite you all to Berlin.

(crosstalk)

Dr. Ian Lesser: -please do comment on these things, and maybe, you know, the synthesis of both the sort of integration, disintegration, globalization and its enemies, thing that David mentioned. But also this very important question of trust.

Because I think, you know, this question of whether, you know, who is in the room is operates at different levels under this question about the European leadership, which you mentioned.

But also this question about trust. And, you know, there's a lot of trust-building that goes on in this audience of 450 people as well. Admitting that, you know, there are people who are absent who ought to be here. So, any reflections on that would--

(crosstalk)

Dr. Ian Lesser: --please, please.

Unidentified Man: I would say yes. I think you're absolutely right. I think that one of the things that GMF did 10 years ago was adopt to the 10 years. Before that motto of Lugar, of out of area or out of business regarding NATO. And GMF has gone far from being the transatlantic relationship. I would say, and now with the solution to NATO has been, you know, back to territorial defense, that what we need in the transatlantic relationship is refocusing on the core values of our transatlantic relationship, especially given the polls, not only on Grexit and Brexit, but I mean, if you look at the Pew polls that GMF publishes, I mean, the-- Germany's attitude towards the United States, I don't know when it's been that negative, and I think similarly, I mean, you know when Venezuela and Cuba have

a far better opinion of the United States than Germany, we better work on the transatlantic and especially--ultimately the German Marshal Fund.

I mean, what's it for? It was to make sure that Germany was integrated. And now we see--when we see that in Germany, we see it in other European countries, my hope for 2025 is that GMF is back to--back into the area.

Ms. Cindy Miller: I was just going to make a comment with--and boil it down to some of the simplest with reference when you talk about trade and trust.

I'll give you just a very simple example. Remember, 99 percent of all businesses in the United States are small, medium businesses. Same in Europe. Roughly same percentages.

For someone to export a package from the United States to get it in--let's say it flows through our network. Just--let's talk about the level of trust between European countries.

That package will go from, let's say it leaves from Philadelphia. And it lands in Cologne, Germany, where our hub is. It goes through a set of customs clearances. Now, let's say that package was destined for Liege. It would then go on a truck and it would have to drive from Cologne and bypass the exit for Liege to get into Brussels. So that someone here in Brussels could make sure they clear the exact same package. And I don't know if it's a problem with--between Belgium

and Germany, but they have to look at it as well to make sure that it was coded correctly and the appropriate monies were collected, and so forth and so on.

And then the next day, then it would drive back on that same road, and then take the exit and go down to Liege. That's an example in its simplest form of what happens with trade and what happens with costs and how they get overlaid on top of something as simple as that, just based on whether we can call it full transparency from partnering European countries or not.

But those are examples of things that I think in the Brussels Forum to the very eloquent points that were made earlier that they really have to advance quicker or it'll get passed.

Unidentified Man: But given the dramatic increase and I mean the incredible changes that we're going through in the digital economy, it's--it is currently far easier to transport a bottle of wine from the Algarve, all the way up to Lapland than it is for me to buy an iTunes just to take a regularly used electronic service.

I cannot--I am not capable of buying my Latvian neighbor five kilometers across the border an iTunes record, because we have 28 digital markets, and the--and no country is big enough for a digital market in Europe. 82 million is the biggest country, but the digital market in the United States is there because it has 330 million, which also has dramatic implications for brain drain.

We have lost in Europe, all over, our best and brightest in digital--in IT to the United States, because they are all moving there to your benefit. And so, it's--if Europe doesn't address this, we will be in economic backwater.

Unidentified Man: And the U.S. doesn't have this problem.

(crosstalk)

The Hon. Christopher Murphy: --yeah, again, speaks to my, you know, original point, that the United States has been able to adapt to new technologies, to keep our immigration laws, despite the debate we have, as open as they exist in the first world, such that we can take advantage of flows of people.

Dr. Ian Lesser: I'm conscious of our time, but I think we have a chance for two more and then I'll come back with a surprise question. Just in the back, please. Just in back.

Karim El Aynaoui: On where will be in the room, it's important, because--

Unidentified Man: Who are you?

Karim El Aynaoui: Just a question for the politicians actually. Do we--do you think you have the tools to do the policies you want to do? Or you're just always end under pressure, managing the crises--the current crisis and going to the next crisis. And should we separate functions in government that prepare for the future? And how can we help you? When I say we, it's citizens. How can we help the politicians to deliver better because it seems that everybody's overwhelmed.

And we're not preparing for the future. We're not preparing all the crises that is happening in international institutions, that they mentioned, it's suboptimal.

We should do it together. We're not doing it together. And we know it's suboptimal. Anybody that spends 10 minutes on that knows that it's suboptimal. It's maybe optimal for the current government that wants a victory over China, or China that wants a victory over the others, but we know it's suboptimal as citizens. How can we help you? And do we have the right organization in political, you know, the structure of governments, parliaments.

Should we separate function? Can we do better? And should we take out some responsibility from politicians and use technology to get organized differently? Maybe it's the time of maturity. You know, 70 years after the craziness of the war, maybe it's time to grow up together.

Dr. Ian Lesser: Very good. If I could go just here. Ambassador.

Ambassador: Thank you. Well, I would like to point at a different--in a different angle, because we are speaking about all this phenomena, the war in Crimea, you know, digital economy, which are very important. But I think we should also look, because you invite us to look at the big picture in fact. And so one way to look at the big picture, what is the big picture?

I think there are some underlying phenomena which are going on since a few decades. More democracy, more youth, less government, more money around the

world. There are hundreds of millions of people emerging from poverty. And, time to have a better life or search for happiness. More women.

We have to look at that. I mean, this is the big picture. This is what is underlying, you know, the war in Crimea, this or that. And in my view, we have to be a little bit more optimistic than we currently are. Because in fact, I mean, you have--better indicators are going into a good direction. You will see more sun rather than dark skies?

So, I think that the main point to my mind in the agenda that you will chair in 2025, I'm sure, will be inclusion. It means how to put together all this phenomena around the world. What is happening in Africa, you know, and the right of women, and whatever, you know. And to appeal to the sense of responsibility of the human beings, because in the end, that will be the government. Is not United States or Europe or NATO or anybody. It will be ourselves, it will be human kind.

So, I think that's--that's really will be the sense of your agenda in 10 years.

Dr. Ian Lesser: Okay. So governance, inclusion, trust, a menu I'm sure is going to be with us. We have time for just one more, and let me go right here.

Please.

Ms. Isabel Dubois: Thank you. Well, as a specialist of China, I am still French.

Dr. Ian Lesser: Tell us who you are.

Ms. Isabel Dubois: Oh. Isabel Dubois, Specialist of China Affairs. Political affairs. But this will not be my topic. I think I am afraid to be a far out from (inaudible), but still, this is your question. I think there should be religious leaders invited, because this is a real problem to our society. And when John, the Pope, from Poland, asked to organize in essence a special prayer with all the leaders of different religions in the world, I think he was far seeing for the future. I don't know which way it could be done, but they have to speak with one voice. And especially in Asia, Buddhism, there is a rise in fundamentalist Buddhism. So it's a global problem. Thank you.

Dr. Ian Lesser: Thank you very much. And a two-finger, as it's said, just in the front here, please.

Unidentified Man: The first slide showed, as the winner of the attention of this room, was Africa. Not one single word has been said on Africa in this room and by the panelists. And I'm just asking the question to the panelists, why is that?

Dr. Ian Lesser: Thank you. Let me come back to you briefly for a quick comment, just literally, you know, a minute less apiece, less if you can. And maybe just if you could also maybe pick up on any of this that you think will be the next big thing in transatlantic relations that we're going to have to be sure to include. Elena, we'll start with you. Why not? Different order.

Ms. Elena Lazarou: Okay. Well, first I'd like to say I've said BRICS so many times that I'm sure I said South Africa about four times in that context, so there has been some mention to that. Well, what I've been thinking in these last minutes of conversation is that there is a fundamental problem. The Estonian President said that there's brain drain from Europe going to the U.S. to work in the IT business. Yesterday, U.S. senators said about 50 percent of IT graduates from U.S. universities can't get a job. I think this shows that we have to look beyond transatlantic. Clearly, we've over-passed the capacity to produce and consume, whether it be products or human resources, what is produced in the transatlantic area. So I think there needs to be a broader outlook and that does lead to inclusion that was mentioned.

There's also a thought I had, which is related to that, about what Commissioner Georgieva said yesterday about the huge inequalities in R&D budgets or in percentages of budget for R&D in Europe and that's a global phenomenon. Digital markets are different. R&D in countries are different. I think if that were to somehow be better restructured through international organizations, global governance, then we could see a better absorption and stabilization of levels of issues, and that would possibly reduce crises. That's my concluding comment.

Dr. Ian Lesser: Terrific, thank you. Cindy.

Ms. Cindy Miller: Just a quick closing comment, just bringing it back to trade. And in the forefront, the TPP, the TTIP engagements that are going on right now, the question I think, fundamentally, from now until 2025, if not TTIP and if not an advancement in an engagement on whatever level, from the U.S. and Europe today, the question becomes if not them, then who, and if it does become someone else, what do those agreements look like? For all the nuances of the differences that continue to get exacerbated, whether in Germany or many other places on some of the fine-tuning, these are two, you know, two entities that set the standards for the world. So the question would be, if these two groups can't get together, I think as was discussed earlier, then who does and what do those standards look like? And then how does everybody else play within that? And I think those questions are far scarier than somebody worrying about a potentially, you know, GMO tomato.

Dr. Ian Lesser: Okay. So big picture, trade and geo-economics will be on our agenda for sure. Senator Murphy, please.

Senator Christopher Murphy: Probably not wise to introduce a new topic in closing comments, but we'd be silly to talk about Brussels ten years from now without talking about climate change. We are going to either be discussing, ten years from now, the economic trauma associated with the tough work of implementing a new international understanding to try to reduce global climate

pollutants, or we are going to be sitting here ten years from now talking about adapting for catastrophe. So one way or another, ten years from now, we are going to be talking more than we are today about either the tough work of implementation on a global climate change agreement or the hard work of hardening our planet for the catastrophe to come.

Dr. Ian Lesser: President Ilves.

President Toomas Hendrik Ilves: Well, I mean, I would say that here, I would agree with UPS, but extend that more broadly, that the integration of legal systems, recognition of common standards, use of those and, I mean, if you get the United States and Europe to have a common standard on whatever topic, then that collection, that group--and if we also include other democratic countries, will, in fact, determine what are the products that will be bought and sold and the kind of failed state or craziness or whatever we have outside that area will have to use those standards, at least, or whatever, I mean (inaudible) of something far worse. Well, the only way to avoid that, in fact, is to have common standards, not only laws and on products, but more broadly on, again, fundamental rights and freedoms that will determine whether you are part of the club or not, be it in cyber security or be it in trade. And I fear that will become more and more of a dominant issue, simply because the alternative, which I started off with, of sort of the kleptocratic authoritarian capitalist approach is very appealing to many.

I think it's a problem in Africa, by the way, just so I can also say Africa. And it's a problem in Asia, it's a problem in Europe, if we define Europe strictly geographically. Someone did here the other day, acting rather un-European. And that we define transatlantic relations by both the laws and the standards but also by the common set of values that make us natural partners.

Dr. Ian Lesser: Thank you very much. Our thanks to all of you. I hope you will agree that this was, if at times a little diffuse conversation, a very important one about the future of Brussels Forum. And I hope we'll all treat it as not just an end of a conversation, but, frankly, a beginning of a conversation about what Brussels Forum should be like, maybe even next year and not even to 2025. But please join me in thanking all of our speakers.