

Brussels Forum

March 18, 2016

Opening - A World Beyond Disorder

Female Announcer: Ladies and Gentlemen, please take your seats. The program will begin momentarily.

Ladies and Gentlemen, please welcome Oxford University professor and historian, Dr. Margaret MacMillan.

Dr. Margaret MacMillan: Thank you very much to the organizers for inviting me [audio skip 06:04:01-06:04:30] learned how we got here. It can help us understand ourselves and understand others, understand those with whom we're dealing. And I think, most importantly, history can help us ask questions, like the sorts of signs you see on a road when you're driving too fast and it says, "be careful, there's a very bad curve ahead." I think history can do that for us. It can help us look at the future with at [audio skip 06:05:16 - 06:05:18] when we need to be cautious.

And so I actually want to say a little bit about the early days of the Roman Empire, but only because I think it has parallels in our own time. And I also want to say a little bit about the period before 1914, which is a period I've come to know as an historian quite well, also because I think it says something, possibly, about our times. And I think what's important about both those periods, and we can think of other periods, as well [audio skip 06:05:55 - 06:05:17] war. That did not happen (inaudible) because of that, the Romans decided that they would [audio skip 06:06:22 - 06:06:26] of stability to the Mediterranean world, which lasted for almost half a millennium. And so periods of transition need not [audio skip 06:06:33 - 06:06:50] because of in the past or resonances of in the past.

And one of those issues [audio skip 06:06:55] more importantly, its discontents. We [audio skip 06:06:57 - 06:07:16] and I think this is reflected in the ways in which entities are seizing on local identities. I think in some cases, it's like this. Both in the times of the early Roman Empire is Rome itself, the city was changing and I think we saw this happening very much with [audio skip 06:07:35 - 06:07:40] before 1914. '14 was a period of huge movements of peoples around the world, and this was not always accepted. It was not always easy and it was not always--there was not always a welcome for these people who were coming from elsewhere, whether from eastern Europe, from Asia, from Italy, from the British Isles. This was not an easy process.

And I think what you saw also before 1914 was a reaction among those who were losing out to globalization. In those days, it was the small shopkeepers whose livelihoods are being undercut by the appearance of mass consumer goods, cheaply-made consumer goods in mass department stores or mail

order goods [audio skip 06:08:40 - 06:09:00] Hungarian [audio skip 06:09:00 - 06:09:06] they were blamed for the changes in the world before 1914. They were also blamed for revolution.

It seems that they were sort of a catch-all group who could be blamed for anything that people felt uncertain and unhappy about. And I think that's a danger today. I think some of the hostility towards migrants and refugees is a sense that these people are somehow to blame for what is going on in our world.

I think the whole issue with immigration is one that was very much there in the early Roman Empire, very much there in the period before 1914, and it was tied to a worry that change was taking place too fast, that the nature of society was changing, that perhaps that change was too fast. We weren't somehow in control of it.

Before 1914, there was considerable worry about speed in a very concrete and material sense. People worried about the new train. When the Metro opened in Paris, there was a great deal of worry that [audio skip 06:10:36 - 06:10:46] a warning which has actually proven to be true was also that pickpockets would love the French Metro [audio skip 06:10:51 - 06:10:57] undermining the human race, what it meant to be human [audio skip 06:11:11 - 06:11:02] no longer in touch with the natural world. And you see [audio skip 06:11:05 - 06:11:21] understanding of human biology, for example. Enormous advances in artificial intelligence. The possibility that we will be able to produce new or compound sorts of human beings within a couple of generations, perhaps--never, though, perhaps more quickly is something I think, which is unsettling, is the very notion of what it is to be human is being challenged in ways, I think that a lot of us find make us very uneasy.

Again, another parallel with the past. And again, you can go back to Rome, but you can see it also very clearly before 1914, is it seems to me that we do have a discontent. Quite a wide-spread discontent around the globe, not everywhere, but certainly in significant parts of the globe, with our existing institutions. We somehow feel that they're not fit for purpose, that they're not fulfilling the pressures, the needs, the demands, the challenges that we are facing in our world.

One of the things that led Romans to decide that they would rather have imperial rule than the republic was simply as sense that the republic wasn't working, that it wasn't producing long-term planning, it wasn't producing the sorts of things that the Roman populace needed. And one of the reasons, I think, that people accepted the shift to imperial rule was what the emperors did for all their very many human failings, and they certainly had them. But what the emperors did was provide stability, they built roads, they built aqueducts, they built ports. Romans knew, and people throughout the Roman Empire knew that

they could travel easily, and so they were prepared, in a way, to bargain away or to give away some of their ancient rights in return for stability, peace and prosperity.

And I suspect that we have similar feelings today about our institutions, that they're not delivering the sorts of things we feel they should be delivering, they're not delivering equality, they're not delivering fairness, where, I think, a lot of us conscious about the growing gap between the rich and the poor. And again, you can see that in the late Roman Republic and you can certainly see it in the period before 1914. A sense that society was leaving too many people behind, that the gaps between the rich and the poor were growing too great.

I think what we are also sensing today, and again, you can see it in other periods, is a feeling that we can't trust our own elites. I mean, one of the worrying things, I think--and I think you see it in Europe and I think we're seeing it in the United States at the moment is a sense that those who have been running government or have been in bureaucracy or have been running business aren't the sort of people we should trust.

Really what I find worrying is the increasing contempt and disdain for democratic politicians. A sense that they aren't really very effective or they're only in it for themselves. And this cynicism, I think, is corrosive of democratic institutions. You can understand some of it but I think it is very, very dangerous in the long run.

What, again, we're seeing, and again, we've seen it before in history, is that coupled with this cynicism and this lack of faith in our own institutions, what we're seeing is the spread of radical ideas and radical alternatives. Because if you feel the discontent and you feel that your system as you see it isn't working, if you feel that economic forces are not being properly harnessed or they're being used in the wrong sorts of ways or they're producing the sorts of results which society doesn't want, then I think you do turn, often, to increasing the radical alternatives.

And certainly in the period before 1914, there was a massive spread of socialist ideas, more worrying, perhaps, because many of the socialists eventually got incorporated into European structures and into European politics. But more worrying, I think, was the spread of radical ideas like terrorism, like anarchism, as we have today, the spread of radically-inspired religious ideas, which simply said, "Destroy the lot. There is no point even trying to work with what exists. There's no point in thinking that the evolution of what we need is something radically new." And we all know what that led to.

Finally, I think what we have that is very worrying, and I'm sure you'll all have a longer list than I'm going to give you here, is that there is, I think, a growing sense in our world that there are certain countries or certain forces that no longer want to play by the accepted rules. I think the actions of Russia

recently have been very worrying because it's not at all clear that the Russian leadership sees in any way itself working with other international forces or other international players. This may be wrong. This may be a perception, but it is something I think that a lot of us are concerned about. And I think before 1914, one of the things that helped to weaken the European order and helped to make the first world war possible was that certain key players no longer felt like abiding by the rules.

Perhaps the first was Italy, which in 1912 broke a longstanding understanding that the European powers would not attack the Ottoman Empire and in 1912 did precisely that. And that was followed certainly in its sinking by Austria-Hungary, the massive and shaky empire in the center of Europe, which more or less whose leadership more or less concluded that if other nations don't play by the rules, if Italy faces no penalties for having attacked the Ottoman Empire and seized its territory, why should we? And I think that is part of the thinking which led Austria-Hungary to decide to try and destroy Soviet in 1914 with results that we all know, and for the world. And I think that is worrying.

I'm--I find it concerning also that China, which has always been, at least since the 1970s, a country which has followed rules, which has very much been interested in rules-based international order, now seems to be bending the rules to suit itself. And the international system can take a certain number of players who won't abide by the rules, who won't work with others, but too many, and the whole system begins to collapse.

On the more positive side, just to be slightly optimistic, I do think we have a much stronger international order than we had in 1914 or indeed in 1939. We have more institutions. We have more ability. We have more practice in working together. We have not just huge overarching international institutions, such as the United Nations, but we also have a much thicker international system with a proliferation and an increasing network of all sorts of institutions which I think have helped to link the world together and helped to at least deal with conflict in very productive ways.

But we shouldn't assume that that international order is going to last forever. It is under tremendous strain at the moment. And we see in Europe the tremendous challenge being faced by the refugee crisis. And so we shouldn't assume that the institutions which we have got used to will be here forever.

And so I suppose if I want to include on any sort of note at all, it is a warning against complacency about where we are. In 1914, so many people didn't think that a war could come because they had survived previous crises. When the archduke was assassinated in Sarajevo, the reaction around Europe, among policy-making elites, but also among ordinary Europeans, was, this is sad, sad for his children, a blow to the Austrian-Hungarian empire, but it's another crisis in the Balkans. And we've just been through three

or four of them, and it all ended all right. There was a lot of talk of war. There was a lot of brinkmanship, and then it was over.

And I think that complacency is very, very dangerous because what it meant was that when the crisis boiled up, people were not prepared to take it seriously until it was too late. It took Europe five weeks, which isn't a very long time. It took Europe five weeks to go from the assassination on the 28th of June, 1914, to the outbreak of general European war on the 4th of August. And all the way along, countries such as Britain, for example, kept on saying, Don't worry. We can negotiate. This is just the usual sort of thing. This time, it wasn't usual. It is all too easy to go over the brink if you're really not paying attention.

And so, if I want to leave any sort of final word, it's a warning against complacency, about thinking this will be all right. And although this may sound odd coming from a Canadian, it's a warning against being too smug. Thank you.

Unidentified Female: Ladies and gentlemen, please welcome the president of the German Marshall Fund of the United States, Dr. Karen Donfried.

Dr. Karen Donfried: Welcome. It's wonderful to have all of you here for Brussels Forum. As you know, this is the 11th annual forum. And I have a wonderful team at the German Marshall Fund of the United States to thank for pulling all of this together. And as important as wonderful speakers like Margaret MacMillan, it's all of you in the audience who make the forum how special that it is and therefore a very warm welcome to all of you in the room for taking the time to be here. And we're looking forward to having all of you engage actively over these next three days.

There are a lot of familiar faces in the audience, a lot of friends, but there are also a lot of you who are here for the first time, which is something we strive for. And I look forward to getting to know you over the weekend and hope that you'll all actively engage in the conversation.

I want to give a special welcome to our congressional delegation. We have Sen. Shaheen, who actually is miked up in the back because she's on the opening plenary. We have Sen. Sessions. And we have Congressman Mike Turner here as well. This is an election year in the U.S., as some of you may be aware. So we're particularly grateful to these senators and our member of Congress for taking the time to be here.

Margaret, that was an incredible introduction. And I think to have that steeping in history to help us understand the challenges that we have today, and your comment about, you know, let's not be complacent, also makes clear that we're not just victims of this but that we have our own agency. And we

should take advantage of that and try to shape the world around us and not just be shaped by it. And I think that's going to be an important message for all of us over the weekend.

In the same way that we asked Margaret to set the stage for the weekend and help us think about this current situation that we've described as beyond disorder in the program that you have, we are trying to introduce this sort of intellectual framing more broadly at Brussels Forum. And so, over the course of the weekend, you're going to be hearing from Nik Gowing and from Robert Kaplan who are going to come in at various points and try to connect this narrative over the conversations of the weekend, whether they're conversations here in this plenary hall, whether it's in the night owl sessions, the breakout dinners, or the gala dinner that we'll have at the BOZAR. And the hope is that Nik and Robert will weave throughout the weekend some of the lessons learned from the conversations that we'll have.

You may remember, those of you who were here last year, that the theme was--we had it revolution, and it was talking about the monumental shifts that have accompanied our own evolution as Brussels Forum over a decade. And so this year, we move from that theme of revolution and evolution to emphasize this world beyond disorder. We think the Transatlantic relationship has moved beyond trying to solve and prevent global crises to working increasingly to manage the ramifications of unprecedented events that we on both sides of the Atlantic are dealing with, both within our countries but also beyond our borders.

Now, when I look at the agenda over the weekend, it can be a little sobering, and then your comments, Margaret, are also sobering. But the hope is that by bringing together this collective group that we'll also come up with some solutions to the challenges that we're facing. And that's what I want us to keep in mind over the weekend. Let's not just be overwhelmed by the challenges, but try to focus on what are some of the solutions that we collectively could put in place to manage those challenges.

Now, as I mentioned, we're going to be convening in lots of different places, in the plenary hall, in the night owls, in different venues. And I want to encourage all of you to take advantage of the many opportunities. And we try to not allow you to sleep at all at Brussels Forum. So the idea is that at all moments of the day, you can be engaged in interesting and thought-provoking conversation and that you'll help create some of that new thinking as we try to move forward a strategic vision for the Transatlantic community that challenges the status quo and also opens up new ways to bring ideas and communication on both sides of the Atlantic.

Now, all of this, beyond relying on an amazing set of colleagues at GMF, relies on an equally amazing set of partners that we have at Brussels Forum. And I want to begin by thanking our founding partner Daimler and the federal authorities of Belgium who have been with us for the whole 11-year ride as well as our strategic partner Deloitte. And those three have really been so critical to us. We also have a set of

wonderful associate partners, the Asan Institute, the Brussels Capital Region, the Latvian Ministry of Defense, NATO, and the Wilfried Martens Centre. We're also very grateful to the set of dinner partners that we have this year.

Now, if you have any issues, needs over the course of the weekend, the fantastic Brussels Forum team that you've already met when you came in and at various other places in the Steigenberger stands ready to help. So don't hesitate to reach out to any of my colleagues over the course of the weekend. And for those of you who embrace social media, we want to encourage you, beyond interacting on BF Connect to use our Brussels Forum hashtag, which you'll be surprised to know is BrusselsForum. It's pretty easy to remember, so use that hashtag on social media and let folks outside the hotel know some of the things we're talking about as well.

Now, my last duty right now is to introduce our fantastic next speaker. We are very delighted that we have the president of the European Parliament, His Excellency Martin Schulz. It's a particular pleasure because it is the first time we have Martin Schulz here at Brussels Forum. I couldn't be more delighted. Let me welcome you to the podium.

H.E. Martin Schulz: [speaking foreign language] Ladies and gentlemen, thank you very much for the warm welcome. And let me start by saying this is first time for me and so also an exceptional honor for me to be with you today. Thank you.

Ladies and gentlemen, things in Europe aren't easy. Yesterday and today, the European Council had to discuss again about migration. We keep on looking for solutions and good compromises among ourselves and with neighboring countries like Turkey. But time is running out, first of all, for the refugees, but time is also running out for keeping a positive mindset and a spirit of cooperation.

People have lots of worries and fears these days, the fear that culture and identity will get lost when too many people with a different background settle down in Europe and the member states in your region, in your city. Or they fear that foreign trade will undermine all the food safety and even our social structures. Fear is as real in Europe.

But looking to the presidential debates in the United States, I think fear is also as real in the United States of America. When I listen to the public debates or to the political rhetoric from across the Atlantic, I don't get the impression that there is much understanding for what Europe is going through. To the contrary, I see similar tendencies of refocusing on national issues and self-interest. The idea that you can stop migration by building walls was already practiced on the American-Mexican border long before it became an issue in Europe.

And then I hear about the difficulties to get the Transpacific Free Trade Agreement through Congress. It seems that fear of trade effects is not specifically European.

Ladies and gentlemen, let me be frank. A transatlantic blame game does not bring us anywhere. We are all in this together, and we have to find a way out, a way out of here together. This is also true for our economies. The American narrative that Europe is on the demanding side for a transatlantic trade and investment partnership because our economy hasn't recovered that well from the financial crisis and because geostrategic threats from Russia or China should pressure in strengthening the Western partnership is not a valued one.

TTIP should be judged on its own, on its own merits and should be balanced and comprehensive in the interest of both parties. This was intended from the outset. I have been among the early defenders of a good and balanced trade agreement between the United States of America and the European Union. I have always looked at it as a chance to guarantee high standards and employment in the globalizing world and I have helped bring about concrete steps to move the negotiation struggles' positive solutions. I have supported initiatives to give members of the parliament access to make the same thing, documents on which Commissioner Malmstrom, who will be here tonight, has been very forthcoming. And I have fought for a new system of investor state dispute settlement, this is our parliament's resolution at the end of July last year.

Again, I have to say that Commissioner Malmstrom has delivered on this point. I have told people who criticize TTIP for all kinds of reasons that have little to do with its actual content that they should not be led by fear or negative feelings but make effectual assessment. And I can assure you that it was not an easy thing to do in view of the negative feelings people have about the United States, for instance, because of the Syrian's activities for the American Secret Services. But defending TTIP creates results, and according to what I [audio skip 06:32:43:15] speaking about the investor state dispute settlement.

Commissioner Malmstrom has proposed a completely new system which takes account of all the worries expressed. There will be transparent procedure, procedures judges, protections for the right of governments to regulate and (inaudible) mechanisms. This could be the new world standard for investment protection. It has already been included in the EU Vietnam trade agreement. And just a few weeks ago, the Canadian government of Justin Trudeau has been open-minded and willing to include it in the SITA agreement, this even after formal negotiations had ended. Why can't the United States show a similar open-mindedness?

Looking at other concrete topics, why is the United States eager to accept cutting 97 percent of all tariffs to increase its market access to the European Union, but can't make a substantial offer for opening its own



public procurement markets? Why is it insisting on buying American? And how do we explain to European farmers who are in a fragile economic situation for many years now that we would open our markets for American agriculture products, but not protect their specific regional products like Parma ham or Champagne? Or how do I explain to citizens, who have suffered from the financial crisis, that the United States don't want to include a chapter on financial services in a future TTIP agreement?

Ladies and gentlemen, if by the end of this year there is not substantially more on the table than what seems to be the case now, I don't see how the negotiations can be concluded. Or if they would be concluded on that basis, I don't see how to reduce an unbalanced TTIP would pass a vote in the European parliament and even more riskful in one of the 42 national parliaments where the agreement has to be ratified. Therefore, I urge our American counterparts to come with better offers on TTIP and to show us that they also want a genuine economic partnership.

True partnership, ladies and gentlemen, is built on understanding, patience and the will to find joint solutions. Only in this way can we overcome differences and allay people's fears. TTIP started as a positive perspective and has turned into a negative, uphill battle. We can still restore trust in TTIP and in government in general by showing tangible results. I therefore hope we can build true partnerships, first within Europe, then across the Atlantic on the basis of shared values and democracy and finally with other countries in the world.

I know what I offer here is not the most optimistic perspective, and therefore I add we have to fight for a successful agreement. And this is an appeal to our American partners. Those who want to bring TTIP [no audio 06:37:04:00] in the world. But their economies [no audio 06:37:13:18] meeting with us by in no way respecting our fundamental standards and rights and consider themselves as more competitive because they don't respect social standards. They don't respect environmental standards. They don't respect human rights. If those who don't respect our values and standards are therefore more competitive than we are, we are lost. Therefore, it is to defend our model of democracy based on shared values necessary to join our economic capacity. That's the reason why we are fighting for TTIP, and that's the reason why I appeal to our American [no audio 06:38:16:04].

Dr. Karen Donfried: ...give an honest and heartfelt defense of your position, and I am delighted that President Schulz has agreed to take a couple of questions. You threw down the gauntlet pretty clearly to the Americans in the room. We need to put a better offer on the table for TTIP. I will say that Mike Froman, the US Trade Representative, very much was hoping President Schulz would be able to be part of the conversation he'll have with Commissioner Malmstrom, and now I know why. But unfortunately, the president has to be in (inaudible). So okay, I'm sure you delivered this message in person, but who has a question for President Schulz?

H.E. Martin Schulz: Thank you very much.

Dr. Karen Donfried: Oh, I know somebody has. Sen. Sessions, thank you.

Sen. Jeff Sessions: Well, I think a lot of people are becoming more nervous about grand visions and schemes that promise a lot and often don't deliver. I know there are a lot of things we could agree on. Maybe we should just reduce this grandness. I'm not sure how the Transpacific Partnership is going to come out in the Congress, and I think it's probably less than 50/50 chance there. And it's an issue in the presidential election. I think all the leading candidates, the top three candidates in both parties, are opposed to it. So maybe we ought to just step back a little bit, not create commissions and just have some trade agreements on things that all of us could agree would benefit Europe and the United States.

H.E. Martin Schulz: The debate started half a year ago. If what Mike Froman called TTIP light would not be better than that comprehensive approach. But I think TTIP light would get even less chances to be ratified on the European side. After all, our arguments are repeatedly adjusted. We need, in the globalized world, a more comprehensive cooperation between the United States of America and the European Union. It is a convincing argument that we convinced a lot of people, and I cannot see how I could now go to these people and tell them, "okay, because we can't realize such an ambitious project, let's deal with smaller items like ham and eggs." I doubt that this is successful.

Dr. Karen Donfried: Okay, so don't lower ambitions, but Americans deliver more. Okay.

Mr. Zbigniew Pisarski: Thank you very much. Zbigniew Pisarski, president of the Pulaski Foundation from Poland. Mr. President, a simple question. Consideration the deadline that there won't be progress with negotiations until the end of the year that you don't see it, that you don't see TTIP, but what if there will be [no audio 06:41:35:24].

H.E. Martin Schulz: ...whatever my answer would be now. This is, look, I hope that the majority of voters in the United Kingdom will vote to stay in the European Union, because it is quite easy. Let's presume we will agree until the end of the year about such an ambitious partnership agreement and the United Kingdom would not be a part of it is just unthinkable normally. Therefore, I'm grateful for your question so that I can make an appeal, stay in to be a part of TTIP.

Dr. Karen Donfried: Deftly handled. And now we're going to come over here. We have a question over here. And I should say I should have had--

Ms. Kori Schake: So the examples that--I'm Kori Schake from the Hoover Institution. The examples that you used all suggested that Europe's trade agreements with Vietnam, with Canada, with others would be the standard-setter. Are you not worried, though, that the Transpacific Trade Partnership representing, as

it does, so many dynamic economies might become unless the Transatlantic Trade Partnership moves much more quickly than you suggest, which is likely to require compromise by Europe not just by the United States? Are you not worried that if the Transpacific one outpaces it by a lot, that it will become the standard setter and Europe will then have to adapt to the standards that are set by a trade agreement it's not a party to?

H.E. Martin Schulz: Very interesting question. If you listened carefully to my speech, you saw that I tried to touch on that question by raising the Transpacific Partnership Agreements. To bring that through the Congress seems to be not as easy as it sounds. There is a lot of resistance there. But I repeat, we on the European side try to convince reluctant people. And there is a lot of reluctance in the European parliament that the two big democratic parts, the United States and the European Union, with constitutional structures basing on the defense of fundamental values of our citizens should get together to protect their system based on values against those who are, I repeat, perhaps more competitive because they don't respect what we consider as unavoidable guarantees as absolutely necessary guaranteed values, rights and standards for our citizens, be it environmental, be it social, be it individual.

And some of the Transpacific Partnership partners are very prudent, perhaps have a slightly different view on that society than we have. And therefore, if I should turn to Europeans, vote for low standards in a relationship with the United States because the trend setters will be those on lower standards in the Pacific, you can be sure you will not win the majority for that agreement. And I know that question, but if they are the trendsetters, don't we have to follow? The European Union should be self-confident enough to consider that our 500 million inhabitants-strong single market in one of the strongest in the world and those who want to get access to our market like the United States of America, but like also a lot of other trend specific partners of the United States should respect our standards when they want to get access to our market.

Dr. Karen Donfried: President Schulz thank you so much. It was really an honor to have you here. I appreciate your speaking to what is the proactive Transatlantic project, TTIP, and let's see if we can get it done together. But please do join me in thanking President Schulz.