

COUNCIL OF COUNCILS

An Initiative of the Council on Foreign Relations



The Council of Councils Twelfth Regional Conference *Panelist Papers*

This meeting, and the broader Council of Councils initiative, is made possible by the generous support of the Robina Foundation.

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Session One

The Future of the European Union



Panelist Paper

Is the European Union Capable of Acting as a Powerful, Independent Voice in Global Affairs?

Council of Councils Regional Conference
November 17–19, 2019
French Institute of International Relations, Paris, France

Daniel Gros, Centre for European Policy Studies

The short answer to whether the European Union (EU) is capable of acting as a powerful, independent voice in global affairs is no. It is also unlikely to be any time soon. This has little to do with the recent financial and refugee crises, which have actually led to a strengthening of the EU's competences and architecture in terms of financial stability (European Stability Mechanism and Banking Union) and of security (upgrading and strengthening of Frontex). The real reason the EU is unlikely to exert much global influence is that its power is limited in some areas (trade) and that in other areas (security, foreign policy) member state politics are pushing in opposite directions.

The Crisis Is Over

The 2019 elections to the European Parliament have strengthened the EU on several counts. First, turnout increased sharply, to more than 50 percent. This is higher than midterm elections in the United States, which traditionally see turnout rates in the 40 to 50 percent range. Outside the United Kingdom (UK), turnout was higher than 53 percent, which is comparable to the last U.S. presidential election.

A second surprise was that the pro-European center largely held its dominant position. The rise of the populists appears to have lost considerable momentum. Moreover, during the campaigns, none of the major populist parties proposed leaving the EU (or the euro), even though sixteen of them had been advocating it a year earlier.

Another novelty of this election was the increasing importance of European issues. Most campaigning and voting were of course still framed by the national context. This should not be surprising. It confirms the adage that all politics is local.

However, Europe was invoked mainly in defensive terms. Immigration and retaking control of it was an important issue in many campaigns; indeed, opinion polls have repeatedly shown that the single concern the population cares about most is immigration. The issue is also one on which the difference between the UK and the other twenty-seven EU countries is decisive. In the UK, taking back control means controlling the national border. On the continent, it mainly means a stronger external EU border.

What Is the Capacity of the EU to Promote Liberal Values and Multilateral Cooperation?

The capacity of the EU is limited. A standard recommendation is that it should uphold the rules of the

World Trade Organization (WTO) and the multilateral trading system in general. Certainly it should aspire to do so. But it is difficult to see how EU action could have an impact on promoting liberal values and multilateral cooperation when the United States and China each behave differently. The United States complains openly about WTO procedures being stacked against it, and pursues, at the same time, a China policy that ignores all multilateral rules. China professes great attachment to the WTO and the multilateral trading system, but in reality has not lived up to many of its WTO commitments since it became a member in December 2001.

Moreover, China has so far refused to budge on critical points, such as the role of state-owned enterprises, or the opaque nature of the role of the state in the economy. This is unlikely to change fundamentally given that these are essential features of the Chinese model. Because the WTO works on consensus, two of its biggest members being at loggerheads means that achieving anything concrete is likely to prove difficult.

These are some of the real-world limits to the EU's influence, even in an area where policy is integrated.

In other areas, especially those related to security, the EU's influence is even more limited because no EU policy or policy instrument is in place.

Concrete Steps

This situation leads to the question of what could be done to increase Europe's influence and power in this challenging global environment.

New structures are for the most part not needed. The weakness of Europe results in most cases from the very uneven integration of markets and the desire of member states to retain competences they consider part of their sovereignty. The best way forward is therefore still the Monnet method.

The benefits from advancing in limited, but crucial areas can best be illustrated by a concrete example, namely, the nexus of telecommunications and cybersecurity.

At present, every member state keeps its own network under national control. Supervision and regulation remains national, and frequencies for the 5G network have been allocated entirely at the national level under widely different rules and conditions. As a result, the market is not integrated, which hinders the emergence of European champions in this industry.

Moreover, the defense against network cyberattacks and disinformation campaigns is managed at the national level. The only function of the European Union Agency for Network and Information Security (ENISA), which has few staff (less than one hundred) and is located at the periphery of the EU (in Crete), is a weak coordinating one.

This setup damages both security and the economy. Telecommunication networks are highly integrated across borders and many cyberattacks, to hide their origin, will involve more than one member state or might pass through several member states. Integrating cyber defense across the EU involves obvious economies of scale. At present, each national authority has only imperfect knowledge about what is happening elsewhere in Europe.

What is therefore needed is a true European cyber defense capability. How this is achieved is secondary. A radical upgrading of the functions of ENISA would be one approach. The creation of a new EU body would be another.

Such a European cyber defense authority would not only enhance cybersecurity in general, helping in pinning down the origins of attacks; it could also conduct tests of 5G equipment and certify them for the internal market, avoiding the current inherent duplication.

The cyber domain thus offers a vivid illustration of how progress could be made through concrete and circumscribed transfers of competence toward the EU level. Developing geostrategic strategies or to subject all economic policies to geostrategic objectives is not needed.

A Geopolitical European Union?

It is easy to understand why European Commission President-elect Ursula von der Leyen has decided to call this a geopolitical commission. Europe is being buffeted by a protectionist United States invoking an America First policy and an increasingly assertive China. However, a geopolitical commission does not equal a geopolitical European Union. At the member state level, geopolitical concerns play a different role and are always viewed through a national lens. It is thus unlikely that the EU will become more cohesive and assertive. It remains de facto a reactive soft power. It is unlikely to take the initiative in any area (outside perhaps trade) and will react only when challenged.



Panelist Paper

The Future of the European Union

Council of Councils Regional Conference
November 17–19, 2019
French Institute of International Relations, Paris, France

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Scenarios for the Start of the New Legislature

A few months after the European Parliament elections, and a few weeks before a new European Commission is fully operational, the European Union (EU) is facing old and new challenges, both domestic and international.

Internally, the EU will soon test the new institutions. In the recently elected European Parliament, nationalist and Euroskeptic political forces are a minority, but pro-European mainstream political parties, which have the numbers to control the proceedings of the Parliament, have not been able to consolidate a stable and comfortable majority. The new European Commission has encountered setbacks in the confirmation procedure of three of its members and will therefore fully assume its responsibilities with some delay on December 1. The results of the European elections and the political situation in most member states indicate that pro-European political parties and movements are prevailing. But nationalist political parties are still strong, particularly in a few countries. In general, the EU will need to regain the hearts and minds of national public opinions, whose degree of support for the European project has decreased in the last few years. Finally, the Brexit saga will eventually come to a conclusion (ideally with an agreement), leaving both the United Kingdom and the EU weaker than before.

The Economic Crisis and the Search for Economic Growth and Competitiveness

The financial crisis originated in the United States but hit hard in Europe, which was slower to organize a reaction. During that crisis, Europe realized the weaknesses of its economies and the inadequacies of the rules governing its common currency, characterized by stringent and binding rules for monetary policies and inadequate mechanisms to stimulate convergence of national economies. Nevertheless, important new measures have been adopted, often in emergency situations, that have partially improved the governance of the euro (for example, new rules to control national deficits and debts, the European Stability Mechanism, a banking union, and a series of European Central Bank interventions).

The worst phase of the crisis has passed, but economic growth is still fragile and is not equitably distributed among or within countries. Productivity and competitiveness are also not performing in the same manner in various member states. Differences in income distribution within individual countries are growing.

The EU should agree on a massive program of both public and private investments in material and immaterial infrastructure and social programs. It should stimulate competitiveness and productivity (through

common programs in support of research and innovation) to help Europe compete globally. Euro governance reform should be completed with new rules for fiscal discipline, a common eurozone, and a fully operational banking union.

The Digital Agenda and the European Green Deal

The growing digitalization of European economies creates great opportunities, but also poses enormous challenges given its potentially harmful effects on employment and job skills, the functioning of democracies, and for the protection of the privacy of citizens. Taxation of the web giants, which is ethically and economically justified, should be decided by the EU, possibly in the context of a wider international agreement.

The new European Commission has given prominence to the need for Europe to implement a European Green Deal, and consensus is emerging among member states on this objective. This will require a commitment to urgently address climate change, including more sustainable development, more rapid conversion to green-friendly economic standards, and more effective protection of the environment. These objectives will require combined efforts at the member-states and global level.

The Crisis of the Liberal Multilateral International Order

In the global world the EU will continue to be confronted with the decline of the liberal multilateral world order. The preservation of the liberal world remains a priority for Europe. A scenario where universally recognized rules and norms, and international institutions are contested and delegitimized will run against basic interests of the European Union.

A Controversial U.S.-EU Relationship

The EU will continue to face a difficult and controversial relationship with the United States, traditionally its strongest and most reliable ally. Europe's approach to confronting common challenges is deeply different from the United States', and the series of divergences with the Donald J. Trump administration constitutes a serious challenge to transatlantic partnership on policies such as trade, climate change, arms control and disarmament, and relations with Iran and Syria.

Europe is confronted on a daily basis with an unpredictable President Trump, who does not consult traditional allies and clearly prefers a transactional approach based on a restricted interpretation of national interest (the America First principle), which is often used as an excuse to denounce previous commitments.

Nevertheless, the United States, with or without Trump, will remain a European strategic partner, even if it is more complex to manage than in the past.

Russia: A Problematic Country but a Necessary Interlocutor

The EU will also continue to experience difficult relations with Russia—a country still considered a threat, at least by some European countries, as a consequence of its posture in Eastern Europe, its rearmaments programs, and the growing suspicions of its interference in European domestic politics.

At the same time, Russia remains a necessary interlocutor for the management of regional crises, and a necessary partner in tackling global challenges, including nonproliferation of nuclear weapons, international terrorism, climate change, and cybersecurity.

China: A Global Power That Divides

The EU has discovered, maybe too late, the reality of its difficult relationship with China, a country soon to become the first global economic power that champions managed globalization, which at this time is still violating many important principles of an orderly globalized world.

China is an important economic partner, but it has yet to deliver on a number of its commitments: more open access to its domestic market, full respect of the rule of law, a level playing field for foreign investment, protection of intellectual property rights, and guarantees on transfers of technologies.

China is not a direct threat to Europe's security, but it is expanding its political influence worldwide through soft-power instruments (such as the Belt and Road Initiative). So far it has been successful in dividing European countries that are interested in Chinese investments but also worried about political control.

The main risk for Europe is being trapped in the middle of the U.S.-China strategic competition, and having to choose between the traditional ally and the rising global power.

Regional Crisis

The EU also faces tensions and instability in its eastern neighborhood (in Ukraine in particular, but also as a consequence of a series of frozen conflicts near the borders with Russia). One issue is the unresolved question of the European destiny of the Western Balkans (a region where growing frustrations for the lack of concrete progress toward full integration in the EU could provoke instability and encourage other powers to fill the gap left by an absent EU). Other concerns include the conflicts and volatilities in the Middle East and North Africa region (from Syria to Libya). Stability, resilience, and economic development in the region will continue to be a central objective of the EU in order to manage migratory flows, combat terrorism and Islamic fundamentalism, and secure energy supplies, as well as for broad security reasons.

Global Challenges: Trade, Climate, and Migrations

The European Union will also need to confront global or horizontal challenges. Preserving a free and fair international trade regime will continue to be of central interest for the EU, which will remain committed to its trade liberalization agenda. However, the EU will have to address growing public concerns for some of the harmful consequences of free trade agreements.

The EU is fully committed to the fight against climate change. In order to achieve a globally credible energy transition and avoid the risks of unfair competition, however, the EU will have to encourage the commitments of other international actors.

Migration in Europe is not a new phenomenon. But in the recent past, the increased pressure of migrants at European borders has in turn increased fears and anxieties in European citizens and fueled support for nationalist, anti-migrant political parties. The EU's common response to this phenomenon has been weak in terms of internal solidarity, but relatively more effective in dealing with the external dimension of migration, such as coordinating with countries of origin and transit.

The question of migratory flows has been exploited by political forces in search of easy political consensus. Nevertheless, the EU needs to define a more effective common migratory policy based on a few elements:

serious control of external borders, an authentic common asylum policy, EU-funded programs for the repatriation of illegal migrants, EU support for national policies aimed at promoting the integration of foreigners, and a system to manage legal migration based on the principle that new authorized arrivals should correspond to the requirements of the job market.

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Session Two

Toward a Global Governance of Migration?



Panelist Paper

Toward a Global Governance of Migration?

Council of Councils Regional Conference
November 17–19, 2019
French Institute of International Relations, Paris, France

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Unlike the firmly institutionalized global refugee regime, global governance of migration is a patchwork of norms and institutions. Over the past few years, new elements have made this patchwork increasingly dense. Arguably upgraded in joining the United Nations as a Related Organization in September 2016, the International Organization for Migration is now the central migration-related actor in the UN system. Other actors have intensified their commitments and strengthened the normative underpinnings of global migration governance by adopting the Sustainable Development Goals in 2015, the New York Declaration for Refugees and Migrants in 2016, and the Global Compact for Safe, Orderly and Regular Migration (GCM) in 2018.

This deepening of international cooperation, however, comes amid growing skepticism or outright hostility toward multilateral endeavors. The concerted campaigns against the GCM—hailed as a momentous step for global migration governance—are a striking manifestation. Growing hostility toward multilateral cooperation has led to a sense of a GCM hangover: Even supportive governments are weary of implementation because they fear the far right’s potential ability to mobilize against the GCM. This is a problem insofar as the GCM can only gain relevance through implementation. As a nonbinding instrument, the GCM’s effectiveness depends entirely on the normative pull exerted by a significant number of—ideally influential—states adhering to its objectives and acting as champions of the process.

The Rationale and Objectives Behind the Global Governance of Migration

Global migration governance should be closely aligned with both a human rights and a development agenda. The protection of human rights is a foundational pillar of international law and should guide government responses toward cross-border movements regardless of the individual motivations for migration. At the same time, it is crucial to recognize that migration has developmental impacts that can go either way—as a boon for sending and receiving countries or as a threat to prosperity and sustainable growth. One critical rationale behind global governance should therefore be to fulfil the positive development potential of migration through appropriate legal and political frameworks. This is best done by ensuring that—echoing the full title of the GCM—more migration takes place in a safe and regular manner. Considering the interlinked nature of our contemporary world, in which conflict and underdevelopment in any country have the potential to affect the region or the world as a whole, this objective is in the interest of all.

The GCM’s 360-degree vision covers a wide range of migration-related aspects of interest to many coun-

tries, and therefore is an important yet necessarily incomplete step toward a rights-based and development-oriented global migration governance. However, it is not—and arguably cannot be—the only framework for migration-related cooperation among countries of origin, transit, and destination. The Global Forum for Migration and Development (GFMD), for instance, though it does not provide a normative foundation like the GCM, is an important alternative forum that governments not supportive of the GCM feel more comfortable participating in.

Origin, Transit, and Destination Countries

Migration is a multifaceted phenomenon that factors into a wide range of policy fields. Although it should be possible to agree on objectives and normative guidelines, each country has its own related concerns and priorities that need to be taken into account, and weighed against each other.

The GCM's twenty-three objectives set a framework and are a useful reference point at the global level, but practical cooperation will often be more realistic in intra- or interregional settings. This is in line with the fact that, on the one hand, most migratory movements today take place within regions (Asia, Africa, and Europe are all cases in point), and that, on the other, significant interregional migration dynamics require urgent attention, not least due to their disproportionately harmful and dangerous effects (such as from Africa to Europe and at the southern U.S. border). Leadership need not be all-encompassing, but it can be issue specific and shared among states willing to jointly push for the implementation of an individual GCM objective.

Assuming a clear-cut divide between the Global North and Global South on migration-related concerns and interests risks oversimplifying a complex picture that, on the one hand, features multiple divides and fault lines, yet on the other also offers opportunities for novel alliances. Again, support for and opposition to the GCM is a pertinent example of when, for instance, EU member states did not act in unison. At the same time, both Africa and Latin America include countries of origin and countries of destination—and the interests and policy priorities of the latter may often be more in line with those of wealthy countries in the Global North than with their immediate neighbors. At the same time, it can be helpful to some individual regions or subregions to act as mobility ecosystems whose interests could be best served by working toward freedom of movement (as is the case in the Schengen area).

The Role of Nonstate Actors

The voices of nonstate actors are crucial in global governance processes both because they can contribute relevant information that would otherwise not be available to state authorities and because they can help bridge the divide between the global and the local. A labor migration scheme that is set up without taking the concerns of affected businesses and individual migrants into account is less likely to be successful than one that has been developed on the basis of extensive discussions among all interested parties.

The involvement of nonstate actors requires conscious efforts on the part of states. The GFMD, with its fora for civil society, businesses, and subnational actors running parallel to the governmental consultations, is an example of bringing these different voices together in the hope that a fruitful dialogue will ensue. However, given the lack of democratic mandate and accountability, the role of nonstate actors in global migration governance is necessarily limited to a consultative one.

Conclusion

Global migration governance is a work in progress. Although the past few years have seen an increase in

efforts to find common ground at the global level, it is arguably too early to judge the effectiveness of new cooperative frameworks. What is clear, however, is that improving the conditions for cross-border mobility in such a way that it safeguards the rights of migrants and realizes the positive development potential of migration requires political will on both sides of a border. It also requires a continuous commitment to better migration governance rather than mere ad hoc measures in reaction to a short-lived increase in arrivals in individual—typically Northern—states.



Panelist Paper

Toward A Global Governance of Migration?

Council of Councils Regional Conference
November 17–19, 2019
French Institute of International Relations, Paris, France

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I will approach the topic of global governance of migration from two perspectives: on a macro-systemic level and on the specific issue of migration. Of course, the latter is highly influenced by the former. Therefore, this paper will be in broad brush strokes, at the risk of generalizing. The main points are as follows.

- The world is going through a reckoning. To quote Dean Acheson, we are once again “present at the creation.” There is a gap between our perceptions and reality. For example, we are moving back toward dysfunctional concepts such as the Cold War as we postpone the real challenge of seeking to design, define, and implement multilateral cooperation.
- I want to stress that this session title is written as a question—like Francis Fukuyama’s “The End of History?” I think this is the correct approach because, personally, I do not feel comfortable, today, with the concept of global governance.
- My skepticism derives from the fact that we are going through a low-tide period of multilateralism, which is not a new phenomenon: perhaps the novelty is multilateralism.
- Insufficient commitment toward effectively cooperating on global issues such as climate change, disarmament—both conventional and nuclear—human rights, and trade, among others, is causing the low tide of multilateralism. Examples abound of the current crisis of global governance: the World Trade Organization (WTO), the Treaty on the Non-Proliferation of Nuclear Weapons, and the Paris Agreement. Unfortunately, this is not a modern phenomenon, more *deja vu*. It is a remake of what I experienced in my first days as a diplomat at the Argentina Mission to the United Nations in the 1980s, which was also pervaded by a crisis of multilateralism.
- The reappearance of nationalism is also harming multilateralism, and, in turn, feeds on the lack of commitment to multilateralism.

Excursus

Today, about 250 million people are living in a country they were not born in. In other words, they are immigrants. But the term immigrant also includes a different category of the more than 78 million forcibly displaced people worldwide. I fear that this last figure does not include the more than 4 million Venezuelans who have left their country.

We are addressing as a whole two totally different categories of migrants and forcibly displaced people, with different origins, evolutions, and policy options. History shows that the tragedies that force people from their homes can only be avoided by preventing conflicts and promoting development through international cooperation. Furthermore, and although these two categories have different reasons for leaving

their country—voluntarily or not—once they reach another country, their needs and expectations are often confused.

Historically, migration flows contributed to development and progress and were not perceived as a threat. For example, between 1881 and 1914, more than five million immigrants arrived in Argentina—and, at that time, there were more immigrants than native Argentinians.

We must overcome the perception of us versus them. Migration brings new culture, religion, and ethnicities to countries, enriching the society, not threatening it. We need to at least create the proper environment for progress and development. We must overcome the psychological remnants of the Cold War that permeate many decision-makers and their policies. For example, the guiding questions for this session reference “if not, what other policies are needed,” and “where can the necessary international leadership emerge to bridge divides between the Global North and South.” We cannot frame all conflicts in terms of a Cold War. War has winners and losers. If global policy efforts take the same approach, it assumes the world and international cooperation are a zero-sum game.

What is in crisis is not the global liberal order. I sincerely have my doubts that a liberal global order has been in place since 1945. It was hardly global given the decolonization process only ended in the 1960s. The concept of a liberal or Western order is also questionable given that until 1989, two blocs existed: one around the Warsaw Pact and Council for Mutual Economic Assistance and the other around the North Atlantic Treaty Organization (NATO) and, to a lesser extent, the European Union.

The WTO, created over twenty-five years ago, is paralyzed today. In addition, a modern conceptual rift exists between the international rules-based system and the global order based on the principles of the UN Charter and international law.

An interdependent world lacks the solidarity necessary for cooperation, dialogue, and peaceful resolutions. If we say that the global liberal or Western order is in crisis, we are leaving aside the other half of the world, which does not necessarily share the same social contract.

Recommendations

- In this new environment of changing attitudes and diminishing commitment toward multilateralism, the adoption of the Global Compact on Refugees and the Global Compact for Safe, Orderly and Regular Migration is a positive framework. However, now comes the time for implementation. The mere adoption of a global agreement is not a guarantee of its applicability.
- Real commitments are needed to make progress toward effective and efficient multilateralism. You do not cheer on multilateralism, you practice multilateralism.
- It is necessary to generate and foster a culture of multilateralism. Civil society, academia, nongovernmental organizations, and the media should be part of a renewed constituency of multilateralism.
- Regarding the Global Compact for Safe, Orderly and Regular Migration, some questions and issues arise. Some of the most relevant countries are not party to the Compact. Beyond adoption of the Compact, is there willingness to implement it? From my perspective, the Compact does not give enough attention to what actually generates migration and displacement. Frameworks should address root causes, such as:
 - The renewed deterioration in living conditions, in some cases related to economic inequity and the uneven distribution of the benefits of globalization;
 - The lack of and diminishing prospects of finding proper jobs; and
 - The increasing number of failed states that are not in a position to guarantee the basic needs

of their populations and their increasing demands.

- Today's generation of migrants is different from previous generations. After September 11, 2001, for psychological reasons (prejudices), destination countries have perceived migrants differently. We should discuss attitudes and habits (in the spirit of Montesquieu) as underpinnings of our policies.
- Migrants and forcibly displaced people should be clearly distinguished.
- The international governance system's decision-making process remains centered around the nation-state. It is necessary to involve nonstate actors—subnational, private sector, civil society, and non-governmental organizations, among others—and the new social movements mobilized through social networks. Due to the urgency and importance of this matter, we must resort to greater use and institutionalization of the Arria Formula at the UN Security Council. The UN Security Council only activated it once in June 2019. This is insufficient.
- The French and German proposal for an Alliance for Multilateralism is a necessary and good first step toward furthering a culture of multilateralism. But it should by no means be rules based. We cannot take for granted that a rules-based multilateral order exists. Although it may not be its purpose, some countries could perceive starting from a rules-based multilateral order as an intention to marginalize the UN Charter and international law and replace it with something different. That is why we must convene an Alliance for Multilateralism without conditions. The creation of a coalition of the willing requires an open-minded approach. We have to disaggregate multilateralism; otherwise we are discussing an ethereal concept. Multilateralism is cooperation, dialogue, and diplomacy, and these are the three vectors upon which we have to work.
- I want to stress that there is a deficit of diplomacy, and a greater recourse to the militarization of political responses, which, in the short term, generates some results, but is not sustainable over time. Look no further than the third session of this conference, “The Weaponization of Economic Interdependence.”

I want to end with some words from Albert Camus' *Vers le Dialogue*: “Ce qu'il faut défendre, c'est le dialogue et la communication universelle des hommes entre eux.” Roughly translated as: “What must be defended is the dialogue and the universal communication of men among themselves.”



Panelist Paper

Global Compact for Migration at One: Six European Takeaways

Council of Councils Regional Conference

November 17–19, 2019

French Institute of International Relations, Paris, France

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In December 2018, the Global Compact for Safe, Orderly, and Regular Migration (GCM)—the first global framework for migration management—was adopted by 152 countries; only seventeen abstained or voted against it. Among these seventeen, nine were European. A year later, several general conclusions can be drawn about European attempts at migration management. This paper discusses the six that have repercussions beyond the European Union (EU).

1. The Global North—the United States and the EU—should lead the efforts in migration management but, divided, are unable to do so.

This inability was strikingly revealed in the GCM vote. The United States voted not only against it but also against the Global Compact on Refugees (GCR) with an ostentatious goal of undermining any multilateral effort at migration management and weakening the appeal of the compacts internationally. The vote also revealed divisions in the EU that are deep enough to have been replicated globally for a reason. Austria, Bulgaria, the Czech Republic, Hungary, Italy, Latvia, Poland, Romania, Slovakia, and Switzerland voted against, abstained, or were absent. The particularly interesting decision was that of the Czech Republic, Hungary, and Poland. Because the GCM is legally nonbinding, they did not need to oppose it even had they planned to not implement its provisions. Yet they decided to make a political statement to underscore their unwillingness to cooperate on migration.

European countries' no-vote derived from internal ideological stances, the pressure of the anti-immigration social media narrative, and—in the case of Hungary—the ostentatious demonstration that Budapest would oppose any migration-related western and northern European decisions on principle. Apart from the United States, Hungary was the only country to reject both the GCM and the GCR. Its stance influenced the Czech Republic and Poland, which it most likely would not have done had the United States supported the GCM.

The division within the Global North demonstrates that any cooperation among these countries for now needs to be ad hoc rather than in the direction of a permanent collective approach to migration management.

2. Further European integration will improve migration management.

In the Lisbon Treaty, migration and asylum policies are nominally an area of shared competence, though countries retain the right to decide how many migrants from outside the EU they admit.¹ It results in such complexity that even modest forms of redistribution—such as relocation, resettlement, or Dublin system reform—are unworkable. The problem will remain until the migration and asylum policies of EU member states are integrated, which would include a far larger budget, a common European agency, and—most importantly—the joint political will of EU members.

In the meantime, only voluntary ad hoc mechanisms stand a chance of success. One is the European solidarity mechanism France proposed in July 2019, the goal of which is to relocate migrants across participating countries: France, Germany, Italy, and Malta. Under it, rescue vessels are allowed to dock at the closest safe port without the risk of being returned to Libya. The four countries would decide on a case-by-case basis how to distribute migrants among themselves. The deal was agreed largely because of a change in the Italian government. The new Italian minister of the interior, Luciana Lamorgese, immediately changed the tone of national public discussions about migration from that of her predecessor Matteo Salvini. The deal may reduce the problems of penalizing search and rescue missions (SAR) and calm the debate, but the larger issue of European management of migration from the south remains.

3. Agreements with politically fickle and unlawful countries are what undermine migration management, not externalization.

The rationale for some degree of externalization of migration management is in line with GCM principles: the spirit of regional cooperation and management and human rights.² All three migration routes in the south of Europe (from Morocco to Spain, Libya to Italy and Malta, and Turkey to Greece) require long and dangerous travel by sea. It is logical and often lifesaving to manage these flows before people board their boats. Further, more cooperation between European and North African countries in development as well as in migration management could potentially strengthen and improve relations across the Mediterranean generally. Externalization in itself does not cause problems, that the EU and member states signed agreements with politically fickle, unstable, or war-torn countries—Libya and Turkey—does.

Initially commendable, Turkish refugee and migration policy is becoming a tool for the country's leadership to blackmail Europe, exposing yet another challenge with irregular migration—its politicization. This raises the question of whether Turkish behavior already enabled a large number of refugees and migrants to cross into Greece. Libya, on the other hand, is considered by the United Nations an unsafe country to which neither asylum seekers nor migrants should be returned. The 2017 agreement between Italy and Libya to block migrants from leaving Libya is controversial. Yet, in the logic of the migrants' security, the EU should not let migrants enter the south of Libya in the first place, which is impossible and absurd to expect. The agreement can be improved, however, and Lamorgese is already planning to do so. In the spirit of the GCM, Italy has successfully cooperated with the International Organization for Migration (IOM) and UN High Commissioner for Refugees in assisted voluntary repatriations—twenty-five thousand migrants have been repatriated.³

4. As irregular migration lessens, so does the incentive to manage the issue.

GCM adoption resulted in immediate international complacency, as if the text of the document was the end of a journey rather than its beginning. It was particularly visible in European migration policy, which—instead of speeding up its reforms—broke down once more in the aftermath of the divisions over the GCM. The complacency could be explained by smaller numbers of migrants reaching EU borders. In the first ten months of 2019, 87,315 migrants and refugees entered Europe by sea, a 12 percent decrease from

the same period in 2018; deaths at sea dropped by 50 percent.⁴ Fewer deaths should be seen as a success, also of the SAR operations in the Mediterranean.

Despite the complacency, it is too early to assess the GCM's overall effects. The next few years will show whether the document influenced the global management of migration, but several positive outcomes are already apparent. Countries of origin and transit, such as Morocco and Tunisia, are reforming their asylum policies. The IOM is deepening cooperation with countries (such as Italy) and nongovernmental organizations: at the beginning of November in Istanbul, together with the International Council of Voluntary Agencies, it convened the first Regional IOM-Nongovernmental Organization Humanitarian Consultation for the Middle East and North Africa Region.⁵ Politically, however, the European Union—consumed by Brexit, national elections, transatlantic, and North Atlantic Treaty Organization rifts—has lost the migration urgency from its horizon.

5. Migration is no longer a politically defining issue in Europe.

An ECFR/YouGov poll in the spring of 2019 shows that most people in fourteen European countries do not perceive migration as one of the top two national problems: the median of those who do is only about 12 percent. The two exceptions are the Czech Republic and Hungary; in each country, more than 20 percent see it as one. Even when migration is cited, respondents mean different things—not only immigration but also emigration: the problem of their compatriots leaving for other countries.⁶ These findings are corroborated by a YouGov and Open Society Foundation poll, which found that two-thirds of Bulgarians (65 percent), Hungarians (62 percent), and Romanians (67 percent) are concerned about people leaving their countries to live abroad.⁷ This data combined with the success of Green parties in European and national elections in 2019, as well as the absence of migration-related topics in election campaigns (save Hungary) lead to a conclusion that the issue has lost its political tenacity. Undoubtedly, it can quickly change in the face of another crisis caused by irregular and mixed movement of people.

6. Young and politically active women shape the new narrative about migration.

Migration needs to be discussed from a different perspective and in a different tone outside the security context that typically frames it.⁸ Statistical trends indicate, for example, that strong, young, and active women will increasingly shape politics in the future, that they are not fearful of migration and will take the heat out of the debate. Specifically, according to a recent poll, 38 percent of Generation Z women (born after 1997) think refugees are not protected enough, and 40 percent think the same about ethnic minorities.⁹ The speed with which Carola Rackete, a German ship captain who saved lives in the Mediterranean, became a media hero attests to the coming change. A new, calm tone on migration has the potential of deflating the pressure from the public debate, even if the issue remains strongly divisive.

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COUNCIL OF COUNCILS

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Session Three

The Weaponization of Economic Interdependence



Panelist Paper

Perils for Medium and Minor Powers From the Weaponization of Interdependence

Council of Councils Regional Conference
November 17–19, 2019
French Institute of International Relations, Paris, France

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Complex Interdependence as a Structural Limitation

Since Robert Keohane and Joseph Nye proclaimed complex interdependence to be the dominant structure in the international system, debates about its virtues and risks have continued. The risks result from asymmetries of political, economic, and military power and capacity. Each risk created by asymmetries has consequences for policy decisions. Interdependence unlocks new possibilities and capacities for states thanks to increased connectivity and exchange, but at the same time sets limits on foreign and domestic policy options, causing tensions within and among many countries at different levels of economic development.

American globalization is both still accepted and increasingly resisted. Other globalization projects have appeared and are beginning to function as alternatives to the status quo—China’s Belt and Road Initiative and Japan’s Open and Free Indo-Pacific Initiative, for example. Likewise, the European Union, though facing its own conundrums in the face of institutional weakness and the resurgence of nationalism, still has sufficient resources to boost its vision for broader integration.

Globalization builds on two factors. One is communications infrastructure, and the other is the capacity to maintain information flows through a limited and concentrated series of nodes. For example, the development of the telegraph gave England an advantage in administering its empire, expanding its economy, and providing security at the beginning of World War I. London was the centerpiece and node of European globalization at the time.

The newest race to build communications infrastructure, commonly known as the fifth generation or 5G race, exemplifies asymmetrical interdependence. Political decisions in one node have unpredictable consequences and implications for middle powers. In a multi-network world, the core nodes are few, and linked to each other or to sub-nodes. Central nodes afford greater political leverage, as they are choke-points in a particular network of interest.

This situation is fairly common in daily life. There are multiple communications and cell phone companies to choose from, but only three corporations own operating systems (Apple’s IOS, Google’s Android, and Microsoft’s now discontinued Windows phone), and those major players set the conditions and limits for their users. To access what they offer, corporations usually ask for a series of concessions or permissions, typically in relation to data, and if the user does not agree to it, access is denied. A similar situation exists in the complex world of international finance and banking when people pay for an app: a few institutions

serve as gatekeepers to these networks.

On the surface, there are plenty of alternatives; but below it, options are concentrated. This concentration is difficult to perceive and complex to interact with for countries lacking in capabilities and capacities. At best, these countries will have differentiated internet access; at worst, they will have fragmented, limited, or delayed access.

Several intergovernmental discussion forums and meetings exist for any political issue, but few are influential. Those considered significant reflect a concentration of power, which corresponds to the existing distribution of global power. The internet belongs to humanity, but only a few groups of states have the ability to control it, gain exponential advantages from that capability, and determine how it will develop. This creates an opportunity and incentive for it to be used as a weapon.

This century is characterized by the ability to gain or obtain access to specific geographical areas, resources, and information, along with the ability to block access. To paraphrase Admiral Alfred Thayer Mahan, whoever “commands the sea, controls the world.” Today, whoever controls information flows controls the world.

The ability to grant or deny access to networks underlies several of the most important contemporary geopolitical competitions. If access means following and accepting specific rules established by one of the great powers, then those who cannot or will not accept those rules look to alternative options. They can look for other powers to give them what they seek or something resembling it, seek lower-quality access, or ensure access through subterfuge, including illegal methods. All of these options undermine geopolitical stability.

Henry Farrell and Abraham L. Newman recently described two issues that arise with the expansion and centralization of networks in only a few central nodes.¹ Networks (including communication infrastructure, financial exchanges, and physical production) have both an unequal capacity for influence and different effects, given that networks with fewer nodes provide fewer benefits than networks with more substantial connections.

As networks grow, new nodes attempt to connect to the networks that have more ties, which adds value to existing networks. In doing so, networks form a structure, generating a lock-in effect. Once established, a lock-in effect is both hard to challenge and self-reinforcing, for two reasons. First, existing networks have better access to nodes. Second, competing networks must prove they will provide a superior benefit and, at the same time, attract a significant number of actors to join it.

Interdependence can be used as a weapon in two ways. The first is known as a *panopticon effect*, the ability to observe and collect critical information from network flows. This advantage emerges from the ability of a particular group of countries and companies to physically and legally access the information passing through its nodes, allowing them to monitor the activities of allies or rivals. Permanent information monitoring allows countries and companies to understand and operate on intentions and tactics, helping to prevent, deter, or derail actions they consider dangerous or against specific interests.

The second way interdependence can be used as a weapon is the *chokepoint effect*, which is based on a state’s privilege to use its capacity and infrastructure to limit or penalize a third party’s use of a network. It can be onerous and painful to replace critical geographies, materials, and operating systems. When a handful of actors are able to limit access, they have the capacity to coerce others, which raises security concerns.

The proliferation of communication infrastructure and digital technologies is giving rise to a transition in the international order. Middle-power countries are facing the dark prospect of interdependence being used as a weapon. Because middle-power countries rely on multiple networks to compete and develop, the rise of borders between networks and the growing need to choose one platform over another will limit their foreign policy options in terms of costs, linkage politics, and agenda setting.

South America's Panopticon and Chokepoint Cases

In South America, the United States and United Kingdom applied the panopticon effect in an observational capacity for security concerns, not in response to an actual threat. Edward Snowden's release of sensitive information about joint surveillance programs among the U.S. National Security Agency (NSA), UK Government Communications Headquarters (GCHQ), and other intelligence agencies in North Atlantic Treaty Organization (NATO) countries shed light on multinational companies' active intrusion programs and information collection efforts.²

Between 2010 and 2013, the NSA spied on Brazilian and Mexican political authorities and companies to gain knowledge on their global energy-production processes, financial services, projects, and corporate developments. U.S. agencies exploited their government's policy of an open and free internet by using the Prism and Stellarwind programs to obtain vast amounts of information. Consequently, then President of Brazil Dilma Rousseff proposed building Brazil's own independent internet to break the dominance of private U.S. and European infrastructure.

Simultaneously, the GCHQ deployed a similar program with two objectives. The first was to spy on Argentine communication networks. Given increased political tensions between the Argentine and British governments over the Malvinas Islands, GCHQ tried to monitor information traffic, especially emergency and military communications. The second objective was to influence public opinion about the Malvinas Islands, in both Argentina and its regional partners, through a misinformation campaign known as Operation Quito.

In 2012, thanks to a combination of panopticon and chokepoint effects, the ARA *Fragata Libertad*, the most important training and diplomatic vessel in the Argentine Navy, was held in the port of Tema, Ghana. The hedge fund Elliott Management initiated legal action in Ghana's lower-level courts to try to enforce the previous U.S. and UK court rulings in its favor to collect the unpaid debt from Argentina's 2001 default. Elliott Management could monitor the ship's course, anticipate its movements, and use its full capacity to litigate against Argentina everywhere. The situation led to one of the most significant diplomatic complications in recent times, all based on the extortion of one of the Argentine Navy's most important symbols.

In response to these actions by U.S. and UK groups, China now claims to be a reliable partner in the future development of 5G. China is now collecting support for broader cooperation to the detriment of other potential partners and is telling Argentina to join its networks with theirs. In addition, Nicolás Maduro's autocratic regime in Venezuela has strengthened its political alliance with China and Russia and has begun developing its 4G network with them as partners, providing them the opportunity to work directly in Latin America. All kinds of surveillance technology, especially on biometric data, are therefore being deployed in Venezuela and in other countries in the region. The Chinese also developed the so-called carnet de la patria, or homeland card, an identity card for Venezuelan citizens so they can receive official assistance during a humanitarian crisis. This could give China and Russia the opportunity to create their own panopticon system in a country that offers all the resources they need.

Policy Concerns: How to Deal With Structural Change and Limitations

Tensions between Huawei and the Donald J. Trump administration over 5G have made it clear that the use of interdependence as a weapon is on the rise. As the two major players look for new partners in Latin America, the region is beginning to feel the effects of that competition. Although 4G infrastructure throughout Latin America is either of U.S. or European origin, the reckless use of their information advantage has opened up space for Latin America to consider alternatives in the development of 5G lines or supplements in existing networks.

The discovery of active U.S. and UK information monitoring programs breached Latin American trust and put the United States and the United Kingdom in an awkward diplomatic situation. However, the Brazilian and Argentine governments had to rebuild those relationships, for several geopolitical and strategic reasons. This political advantage begins to fade as China becomes more active in the communications field and the digital world. Even if Latin America expects similar conduct from China, working with the country could be unavoidable as Western dominance diminishes. For example, it is highly probable that in the signal communications field, a larger Chinese influence in South America will have harmful effects on U.S. information gathering.

Middle powers such as Argentina do not have the capability to build their own networks; therefore, certain reinsurance should be considered to keep them connected to Western networks and even help to strengthen them. The strategic restriction should be a political guide for those who lay the foundation on which connectivity is built; otherwise, the world will be one of fractured networks competing with each other, unable to secure the benefits achieved so far.

Notes

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Panelist Paper

The Weaponization of Economic Interdependence

Council of Councils Regional Conference

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French Institute of International Relations, Paris, France

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In the past two years, the world has witnessed the most obvious and frequent weaponization of economic interdependence since the end of Cold War. There reasons behind this phenomenon are complex, but the consequences are serious and could spiral out of control if no substantial measures are taken to stop it. In fact, this challenge is common to all countries: the attacker, counter-attacker, and all bystanders.

A Wild Tendency

Weaponization of economic interdependence has existed for long time. The United States in particular has always used economic sanctions as a major foreign policy tool. Only after the Donald J. Trump administration came to power, however, did weaponization reach such high levels.

The Trump administration does not hesitate in this regard. It has had some success. It terrified Canada and Mexico into renegotiating a trilateral free trade agreement, forced South Korea to renegotiate its bilateral trade agreement, and (after abandoning the Trans-Pacific Partnership) pressured Japan to renegotiate its bilateral trade agreement. Some stories are not so successful. The Trump administration threatened and used tariffs and sanctions against China, but until now has not achieved its goals in terms of what it wants China to do. It also threatened Europe on trade and the Iran nuclear issue, but has come up short on its end goals here as well.

The Trump administration provides a bold example for other countries, such as Japan, to imitate its behavior. To the surprise of many, Japan decided to put controls and limits on various high-tech product exports to South Korea and dropped South Korea from its preferred trading partners list.

Targeted countries are responding and defending themselves with countermeasures. On just hearing that the United States might wage economic attacks, China carefully began to prepare its own economic weaponry. As Washington implemented measures it threatened to use, Beijing fought back swiftly and steadfastly, making Trump feel the severe political backlash from many U.S. companies that feared huge economic losses. Europe, a long-time ally of the United States and similar in both economic strength and political influence, barely wavered when confronted by the Trump administration's many threats. In fact, it publicly declared that if the United States increased tariffs, it would respond in kind. As for U.S.-European disagreements on the Iran nuclear agreement, the United States threatened sanctions on European companies that broke with the reimposed U.S. sanctions on Iran, forbidding those companies from joining the U.S. dollar-dominated international financial network. In response, Europe established an independent international currency transaction system. South Korea showed its determination in response to Japan, a

historical adversary, by putting its own export control measures on Japan.

In general, the weaponization of economic interdependence is so serious that almost all major economic powers are locked in confrontations that offer no easy exit.

A Complex Momentum

As strange as it is that many countries are suddenly using economic interdependence as a weapon, even more strange is that many countries and citizens are tacitly consenting to it, almost totally ignoring the existence and functioning of the global economic governance framework. Four answers might help explain the phenomenon.

First, the world is experiencing a profound change in domestic political dynamics and a sharp decline of domestic political support for international economic interdependence. These changes are most obvious in the United States. The long-time advocate for economic internationalism is facing political backlash to its economic openness. There are two possible explanations. First is the gap between capital and labor. In the framework of the World Trade Organization (WTO), capital can move freely around the world and receives its highest return by being invested in the most suitable place and sector. U.S. multinational companies enjoyed huge economic benefits in the last round of globalization. However, because the U.S. labor force is not mobile, it bore the costs of job losses and salary stagnation. Second is the education gap. As the global economy transitions to be more knowledge intensive, the well educated have access to rewards from international economic cooperation, whereas the less educated not only lack this access but also face a higher risk of job loss due to automation. Given these gaps, the anger of U.S. labor and its opposition to international economic interdependence is understandable, and can be inflamed by politicians. Politically, it is entirely natural that Trump, a nontraditional politician, adopted economic weapons against all major U.S. trading partners.

Second, some countries fear losing long-term strategic economic competitiveness and welfare. In this regard, the United States has the biggest concerns. It recognizes that the so-called fourth industrial revolution is coming, and that the many emerging technologies could bring about trillions of dollars in economic benefits and be a critical component of long-term economic competitiveness. It is determined to not allow other countries, such as China, to gain the upper hand in the technology race. It has therefore implemented various economic sanctions to block China from further approaching the advanced technology level it itself has enjoyed for so long. It is said that Japan's fear that South Korea might threaten its technological competitiveness in semiconductors also weighed heavily in its decision to wage economic warfare against South Korea.

Third, a shadow of strategic distrust between major global powers is emerging that could signal the return of strategic confrontation. The United States embraced China in the early 1970s and agreed to accommodate China after the Cold War. One hypothesis behind this agreement was that as China's economic development continued, it would develop along the lines of the Western model. To the regret of many U.S. politicians and strategists, it did not. In fact, China has continued to use its own social and political system, although the system constantly evolves. What worries the U.S. strategists is that China is developing so quickly without converging with the Western system, which could lead to a scenario in which China's model represents a competing approach to human development, and that this might endanger the U.S. ideological hegemony. The situation, however, has not reached a point of waging a real war, and the cost of a military confrontation could be too high to bear. So the United States would rather use economic weapons to realize its strategic goals to reduce China's capacity to challenge its ideology and thus its economic and strategic hegemony.

Fourth, the current global economic governance system has reached its limits. Established governance regimes have not effectively addressed old challenges. The failure to address intellectual property rights, subsidies, agriculture trade issues, state-owned enterprises, and the fair use of trade remedies, among other sticking points, greatly harms the authority of the WTO system. Further, as the world economic ecosystem evolves, new economic sectors and issues such as digital economy and digital trade have emerged, and the current global economic governance system has not caught up. The current system does not have the norms or rules to manage these emerging challenges. Negotiating resolutions will be difficult given the complex nature of new issues, especially because they are often related to sovereignty, dual uses, and other nationally sensitive issues. Finally, most norms and rules in the current global economic governance system cover economic issues, not security issues. As long as countries involve national security or even international strategic issues in economic disputes, the system will fall short. This became clear when the United States used every method at its disposal to boycott Huawei and forbid other countries from doing business with Iran.

For different countries, these four points may weigh differently, but when combined they put the world in a dangerous situation.

What Countries Should and Can Do

It would be irresponsible and foolish to only complain and stand idly by while watching the world fall further into the chaos of weaponized economic interdependence. Think tank experts should ask their governments to behave rationally, to think in terms of decades rather than years and from the perspective of all human kind.

First, the major powers need to establish well-functioning domestic mechanisms to fairly and effectively distribute the gains and pains of international economic cooperation. The allocation of economic resources in a global context would help realize maximum economic efficiency; however, that distribution should reflect that many economic resources are still non-tradable and non-movable. This will require domestic political cohesion. Simply blaming other countries or undermining international economic activity will not be effective.

Second, the major powers should create a culture of more benign economic competition. For stronger and longer-term competitiveness, all countries should commit to positive competition, such as increasing research and development investments, enhancing human resource training, and constructing market-friendly policy frameworks rather than enduring a race to the bottom or boycotting and disrupting competitors.

Third, the major powers should cooperate to improve the global economic governance system. On trade governance, it is necessary to be bold in order to resolve existing critical challenges such as intellectual property rights, agriculture subsidies, and state-owned enterprises. It is even more urgent to show political support for negotiations on newer issues, such as digital trade, because they are the future direction of the global economy and imply bigger future disputes. Regarding financial governance, major powers should consult on how to restrain the United States from abusing the U.S. dollar's hegemonic status. The major powers should also negotiate a consensus on the boundaries of using national security in the global economic governance system.

Fourth, rebuilding strategic confidence and establishing a strategic bounding mechanism is urgently

needed. A substantial strategic dialogue including major powers such as the United States, China, the European Union, India, Japan, Russia, and others is critical to promote mutual understanding of each other's strategic intentions and to reduce possible misjudgments. It is essential that no global ideological and political competition returns. A strategic bounding mechanism could be helpful if it could ensure that no major power could monopolize the huge economic benefits of the fourth industrial revolution while putting the cost, either economic or military, to others.

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Session Four

*Global Governance Working
Papers (Distributed Separately)*

COUNCIL OF COUNCILS

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Session Five

European Strategic Autonomy and Transatlantic Relations



Panelist Paper

European Strategic Autonomy and Transatlantic Relations

Council of Councils Regional Conference

November 17–19, 2019

French Institute of International Relations, Paris, France

Steven Blockmans and **Daniel Gros**, Centre for European Policy Studies

The incoming leaders of European Union (EU) institutions inherit a body that has largely overcome its poly-crisis. In the absence of unforeseen major shocks, the EU should now be less involved in crisis management and more able to pursue a continuing strategic agenda. In setting out the overall program, President-elect Ursula von der Leyen, a former defense minister of Germany, has dubbed her European Commission a geopolitical one. Indeed, the changing international backdrop against which the EU institutions must operate is defined by a slow process of strategic reordering centered on the U.S.-China rivalry.

The retreat from multilateralism led by U.S. President Donald J. Trump, coupled with the increasingly assertive deployment of Chinese power, poses challenges to the rules-based business model of the EU and its role in the world, particularly in conjunction with the rise of authoritarian regimes in other countries. Traumatized by the cracks that appeared among European capitals in 2003 over the impending invasion of Iraq, EU member states are anxiously trying to avoid having to choose between being with or against the United States in its emerging conflict with China.

This clash of titans puts Europe in a difficult position. On the one hand, the EU shares the fundamental values embedded in the U.S. Constitution and a tight socioeconomic fabric woven across the Atlantic. On the other, many recent U.S. unilateral measures violate international norms and run counter to the EU's preference for quiet diplomacy.

The feeling of community across the Atlantic has so far survived Trump's presidency, which has professed little attachment to common values. Nevertheless, civil society and the system of checks and balances remain very much alive in the United States, showing a grassroots adherence to democratic principles. These are crucial if the transatlantic partnership is to continue.

China, by contrast, is clearly moving toward an autocratic system in which freedom of expression is increasingly curtailed. The hope that rapid economic progress would lead to a more open China has not materialized. On this point, the United States and Europe agree. They do, however, have different views on the potential threat China poses to national (or European) interests. The EU is not a Pacific power and European interests in Asia are mostly commercial. Confrontation with China is thus not an attractive policy for Europe.

A recent [Joint Communication](#) by the European Commission and the High Representative for Foreign Affairs and Security Policy finds that China is “in different policy areas, a cooperation partner with

whom the EU has closely aligned objectives, a negotiating partner with whom the EU needs to find a balance of interests, an economic competitor in the pursuit of technological leadership, and a systemic rival promoting alternative models of governance.”

The description of China as “a systemic rival” refers to its state-led model of growth. However, a [sober evaluation](#) of the situation suggests that China’s rapid rise is based on strong fundamentals, namely an extraordinary rate of investment in capital including public infrastructure coupled with a high-quality education system, rather than the guiding role of the party or state. Nonetheless, a strong feeling exists in Europe that it is losing ground in the global technological race and that something should be done about it.

Remarkably, the Joint Communication on China from March 2019 does not mention U.S.-China tensions or the effect that the EU’s China policy might have on transatlantic relations. This is a crucial oversight given the struggle for geopolitical dominance between the United States and China.

Meeting these challenges would require Europe to develop what is often referred to in German circles as strategic autonomy. In France, the notion of European sovereignty prevails, whereas Federica Mogherini, the outgoing EU High Representative for Foreign Affairs and Security Policy, has floated the concept of cooperative autonomy.

Widespread agreement exists that each of these notions refers to Europe’s aspirational “ability to set its own priorities and make its own decisions in matters of foreign policy and security, together with the institutional, political and material wherewithal to carry these through—in cooperation with third parties, or if need be alone.”¹ This ambition requires Europe to pull out all the stops and adopt a whole-of-governance approach to EU action in the pursuit of common strategic interests and objectives.

Hard Power

The EU has often been portrayed as a soft power, using its socioeconomic attraction to persuade others to comply with its rules and standards, but lacking in hard power. Lack of political will and mutual trust among EU member states has long been an obstacle to cooperation in security and defense. In the years of austerity that followed the financial crisis, defense budgets all over Europe were slashed in an uncoordinated manner, hollowing out most member states’ armies. Since then, the EU has worked hard to buck the trend. In the last three years alone, it has made greater strides in strengthening [defense integration](#) than in the six decades before that. The EU has tapped into the political momentum generated by Russia’s assault on Ukraine, the rise of hybrid warfare and cyberattacks, a spate of terrorist attacks on European soil, citizens’ concerns over the refugee and migrant crises, the prospect of Brexit, and the unpredictability of the Trump administration’s America First policies.

A permanent EU headquarters for military operations has been created and is located within the European External Action Service in Brussels. The twenty-two member states that are also allies of NATO pledged to increase defense spending to 2 percent of their GDP and to earmark 20 percent of that sum for investment in defense capabilities. A coordinated annual review on defense mechanism monitors the implementation of commitments on defense spending and capability development of EU countries. All member states, except the United Kingdom (which is leaving the EU), Malta (which has invoked constitutional neutrality), and Denmark (which has an opt-out from military cooperation), participate in the project-based Permanent Structured Cooperation (PESCO) for the development and deployment of defense capabilities. The European Defence Fund (EDF) has been proposed to stimulate the research and development of

military capabilities. If approved in ongoing budget negotiations, the thirteen-billion-euro fund would place the EU among the four biggest defense spenders in Europe.

Given that membership of PESCO, the central cog in the EU's new defense machinery, is virtually identical to that of the European Defence Agency, and that the first forty-seven projects have achieved nothing of substance yet, it would be easy to dismiss the new architecture as "a laborious exercise in reinventing the wheel."² Yet the new political momentum and the definition of higher convergence criteria should be welcomed for what they are: functional collaborative steps toward a European Defence Union, and an emerging European strategic culture that, in turn, could lead to more ambitious and effective military operations.³ In this context, it would not be surprising if France's European Intervention Initiative (EI2), to which thirteen other states (including the UK) have signed on to, was eventually brought inside the existing EU structures.

As the EU's own defense integration advances, the classic American bugbears of "no discrimination, no duplication, and no decoupling" have again come into focus.⁴ U.S. Permanent Representative to NATO Kay Bailey Hutchinson recently warned that Washington did not want the EDF "to be a protectionist vehicle for the EU," to cut out U.S. military manufacturers from bidding on certain European projects, and to "splinter the strong security alliance that we have."⁵ Against the backdrop of President Trump's unprovoked opening shot which risked becoming a wider transatlantic trade conflict, the ambassador's call that entities from non-EU states should be able to compete for EU-funded capacity-building projects sounded rather hollow. It was nevertheless heeded.

In view of the specificities of cross-border defense markets and integrated supply chains, as well as the desire to continue industrial cooperation with UK entities after Brexit, the European Commission introduced a narrow derogation. Funding, it declared, could be awarded to a non-European Economic Area country applicant if it is necessary for achieving the objectives of the action and provided that its participation will not put the security interests of the EU and its member states at risk. Applications for EDF grants will thus be assessed on the basis of award criteria that put fostering excellence, innovation, and the competitiveness of the European defense technological and industrial base front and center. By incentivizing joint research and development of products and technologies in the area of defense, the EDF is therefore expected to increase the efficiency of public expenditure and contribute to the overriding aim of enhancing Europe's strategic autonomy.

Hybrid Power

The traditional elements of soft power remain important, but are destined to decline in effectiveness as the share of the EU in the global economy shrinks. The EU is now also taking steps toward hard power, but is limited to coordination in research and procurement. A European army remains a vague and distant goal, shared by few. PESCO should develop a coherent full-spectrum force package—complementary with NATO, which will continue to be the cornerstone of collective defense for its members.

Meanwhile, the EU should be able to acquire its own instruments of hybrid power, defend itself from disinformation campaigns and cyberattacks, and promote its common interests through export controls and targeted strategic investments. A wholesale transfer of competences is not needed and is anyway politically unattainable in many sectors; **concrete steps** in critical areas where political will does exist, however, are needed. A notable example is the crossroads between telecommunications and cyber defense, where common auctioning and supervision of spectrum, as well as **common cyber defense**, can generate important benefits to strengthen the strategic autonomy of the EU.

Notes

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Panelist Paper

More Strategic Autonomy, Better Allies

Council of Councils Regional Conference

November 17-19, 2019

French Institute of International Relations, Paris, France

Corentin Brustlein, French Institute of International Relations

After World War II, European countries had little choice but to rely mostly on the transatlantic alliance with the United States to protect the continent from neighboring threats, particularly the Soviet Union and the Warsaw Pact. At the end of the Cold War, Russia's decline and the rising number of lower-end security challenges only marginally persuaded Europe to reconsider its unbalanced division of responsibilities with the United States. What started as a necessity due to the existing balance of power and material consequences of World War II became a default. Not only did most European militaries continue to depend on the United States, their degree of dependence also increased over time as defense spending trends in Europe proved inadequate to meet the requirements of modern warfare in the information age, even to simply maintain armed forces properly trained and equipped for conventional operations.

Recent events have shown the limits of this arrangement. The resurgence of Russia's military ambitions, protracted civil wars in Libya and Syria, and multiple terrorist campaigns have transformed Europe's landscape. At the same time, the U.S. foreign policy debate has increasingly focused on the necessity of responding to China's growing strategic assertiveness—a rare area of bipartisan agreement. Although the transatlantic alliance has been uniquely successful both politically and militarily since its creation, it has become strained by external sources of pressure and internal doubts, even though it is needed now more than at any time in the past thirty years.

These developments have led a growing number of European political figures to call for strengthening Europe's strategic autonomy and sovereignty. Whether because of ideological preferences or genuine concerns made more acute by the sometimes imprecise and uncoordinated statements from the European Union (EU) and some of its member states, recent efforts by Europe have been portrayed as a potential threat to the transatlantic link. On the contrary, several factors indicate that militarily credible European allies are the only way to ensure that the alliance remains fit for the spectrum of external challenges that await it.

First, it is fundamentally wrong to oppose strategic autonomy and alliance responsibilities. The two go hand in hand. Like all North Atlantic Treaty Organization (NATO) allies, France has benefited from external support to develop—and maintain—critical elements of its military capabilities. Although France sees strategic autonomy as being critical, it frequently relies on others, especially the United States, to conduct operations. This is evidenced in recent and ongoing military operations in the Sahel region of Africa. At the same time France remains strongly committed to NATO's deterrence and defense postures. Moreover, that the United States can operate autonomously in any part of the world is not perceived as under-

mining the alliance. Why would it be different if European militaries become more strategically autonomous?

Second, European strategic autonomy is not about building up a full-spectrum military power with attributes such as a nuclear deterrent, nor about conducting foreign and security policy in total political and military isolation from the United States. It is about Europeans being able to determine, and to control at least in part, their fate. For Europe, being more strategically autonomous requires the ability to set a vision of its role in the region and on the world stage, to identify desirable political goals, and to craft and implement plans to achieve those goals, including through the use of military force.

Third, strategic autonomy should not be considered an absolute. The ability to use military force autonomously depends on factors such as the urgency of the crisis, the geography of the theater of operations, and the severity of the threats that could be encountered. Framing the debate on strategic autonomy as a binary is both mistaken and counterproductive. The question is not whether Europe should be strategically autonomous—it already is in some respects—but what benefits can be drawn from establishing more European autonomy in the political, operational, and industrial realms.

Europe should aim high when it comes to developing its strategic autonomy. It should strive to become a military power credible enough to tackle military contingencies more complex and risky than postconflict stabilization, counter-piracy, or border control. Strengthening European military credibility along the spectrum of conflict has become increasingly essential to the endurance of the transatlantic link. In a period characterized by heightened strategic competition and a weakened norm-based international order, the number of military challenges to the United States will only grow. Commitments throughout the world, domestic constraints, and increasingly capable adversaries will render the United States hard-pressed to maintain the same commitment to stability in Africa, the Middle East, or Europe by 2030. A militarily credible Europe that takes responsibility in a growing number of regional contingencies could free up the United States, allowing it to be more selective and to focus on the high-end security challenges that only it can tackle effectively, such as deterrence and defense against strategic competitors. Given the relative democratization of anti-access and area-denial capabilities and the prospect of their diffusion in the region, European militaries have to increase their level of ambition, if only to sustain their freedom of action in potential future contingencies.

A strong and resilient transatlantic alliance fit for an era of strategic competition needs to be more balanced if it is to tackle the diversity of threats it faces. The need to bolster the credibility of European militaries for burden-sharing purposes is widely recognized. Credibility, however, requires the ability to act on one's word. Critics argue that strengthening European strategic autonomy would endanger the alliance and neglect the deep connection between credibility and autonomy, but the former is not possible without the latter. U.S. leaders have legitimately complained for decades about burden-sharing within the alliance, but efforts and responsibilities go hand in hand. European security requires not only that the renewed commitment to defense among EU members continues to materialize, but also that the resulting military power be used in support of NATO operations and, if the United States is unwilling or unable to participate, of European ones. The resulting transatlantic partnership will only be stronger for it.



Panelist Paper

European Strategic Autonomy and Transatlantic Relations

Council of Councils Regional Conference

November 17-19, 2019

French Institute of International Relations, Paris, France

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The context for the push for European strategic autonomy is easy to sketch: Europe faces an increasingly threatening strategic environment at the same time it fears the foundations of the transatlantic alliance are crumbling. It is far less clear, however, that European countries agree on what constitutes strategic autonomy or that they are committed to actually achieving it. But in pursuing this ill-defined goal, they may perversely end up encouraging what they are ostensibly hoping to avoid: the further erosion of the Atlantic alliance.

Europe has long enjoyed, and at times, exercised, strategic autonomy—at least in a negative sense. Europe, or more precisely, individual European countries, have for decades chosen not to follow the U.S. lead on a range of security issues. Iraq and Vietnam are the most obvious examples. What today’s proponents of strategic autonomy envision, though, is autonomy in a positive sense, that is, having the ability to initiate action without the support of the United States, or perhaps, over its objections.

So what does strategic autonomy mean in practice? As Corentin Brustlein, a proponent of the idea, [has written](#), “much ambiguity still surrounds the concept.” To be sure, the European Union (EU) has taken steps to breathe life into the concept. It activated the Permanent Structured Cooperation (PESCO) on defense as provided for under the Lisbon Treaty. It likewise created the European Defence Fund to finance European-based development and acquisition of defense technologies.

Yet even as the EU has taken these steps, it has largely papered over rather than settled the question of the fundamental purpose of strategic autonomy. It is easy to see why. Assessments of the merits and feasibility of the concept vary across the continent. For some European countries, strategic autonomy is merely a vehicle to bring greater coordination and cooperation to the multiplicity of national defense policies; for others, it is a far bolder vision in which Europe would look to act collectively even in the face of opposition by other countries, including the United States. And for many, and perhaps most, European countries, it is something in between.

Ambiguity, of course, is often essential to EU decision-making, greasing the complicated machinery of supranational decision-making. But that ambiguity encourages the conclusion that the concept of strategic autonomy is focused on the wrong challenge. Europe’s primary weakness today in foreign and defense policy is not its inability to act independently but its inability to act at all. The 2011 military intervention in Libya put on full display the extent to which Europe’s military forces had atrophied. Little has changed in the intervening eight years, as Europe’s recent struggles to project force in the Middle East and the Sahel attest. If the United Kingdom leaves the EU, as seems likely, the challenge will grow even larger. All this

suggests that Europe would be better served by focusing its efforts on building its strategic capacity to act with its main security partner before it worries about being able to do so without it.

The ambiguity surrounding strategic autonomy and its misplaced emphasis on independent action in turn feeds American concerns about the transatlantic alliance—concerns aggravated by comments such as French President Emmanuel Macron’s recent claim that “what we are currently witnessing is the brain death of NATO.” Although discussions about the United States seeking to [untether itself](#) from Europe have surged on both sides of the Atlantic in recent years, the U.S. commitment to the alliance is stronger than that talk presumes. True, President Donald J. Trump has long been hostile to what he sees as free-loading allies, and presidents exercise a disproportionate influence over U.S. foreign policy. However, Congress remains firmly behind the North Atlantic Treaty Organization (NATO) and deeply concerned about the threat that Russia poses to the West. The American public feels much the same way. For all the punditry about Americans turning inward, seeking to throw off the burdens of global leadership, [opinion surveys](#) repeatedly find that public support for NATO and for defending allies remains high and has actually grown since Trump took office. The strong support for the Atlantic alliance on Capitol Hill and among Americans more broadly no doubt has helped discourage the president from acting on his threats to leave NATO.

But granting that U.S. support for transatlantic cooperation is stronger than sometimes assumed does not mean it is inevitable or permanent. The failure of European countries to invest in their defense, even as the strategic environment has grown more concerning, has been a long-standing U.S. complaint. It is a complaint aired even by the alliance’s staunchest supporters in the United States because they recognize it poses an existential threat to political support for the alliance. The European members of NATO did pledge at the 2014 Wales summit to raise their spending on defense to a minimum of 2 percent of their gross domestic product (GDP) by 2024. Progress toward meeting that target, however, has been slow at best. Just six of the twenty-seven European members of NATO [currently meet it](#), and four of those six are among the smallest economies in Europe. Of the five European members of NATO with the largest economies, just one, the United Kingdom, meets the 2 percent target. Germany, Europe’s largest economy by far, spends just 1.23 percent of its GDP on defense. That is not likely to change by much over the next five years. Berlin has effectively abandoned its commitment to hitting the 2 percent target despite widespread agreement about the dilapidated state of the Bundeswehr.

Although the ambiguity of strategic autonomy allows European leaders to see what they want to see in the concept, it enables, and perhaps even encourages, American policymakers to see what they fear—a Europe that is, intentionally or not, becoming both less capable and less interested in partnership. In the most charitable interpretation, EU defense initiatives launched under the rubric of strategic autonomy will be seen as misguided efforts that fritter away the fragile political consensus on the need to rebuild Europe’s defense capabilities. At worst, they will be viewed as deliberate efforts to distance Europe from the United States. The Trump administration’s warning that PESCO could lead to protectionism in the defense sector highlights how the conversation might go, and how it could easily aggravate other problems in transatlantic relations.

That outcome is by no means destiny. But avoiding it requires being clear about the purpose of strategic autonomy and centering it on the goal of increasing Europe’s strategic capabilities rather than its ability to act independently—which remains a distant dream in any event given the pronounced weakness of individual European militaries, the prohibitive price tag that comes with creating military forces capable of projecting power, and Europe’s reluctance to substantially raise defense spending. Making it the goal of EU policy to substantially increase the strategic capabilities of European militaries is compatible with pursuing PESCO and the European Defence Fund, just as it is consistent with, and would be helped by, efforts

to promote greater cooperation within the EU on weapons procurement and strengthening the relationship between the EU and NATO. As for Europeans worried that abandoning the dream of acting in the world unconstrained by others means being forced to “pay and obey” the United States, Europe would retain the negative strategic autonomy it has long had, and, at times with good reason, opted to exercise.

If, however, strategic autonomy remains an ill-defined concept rooted in poorly considered talk about acting independently of the United States, or as a counterweight to it, then transatlantic tensions will only grow, regardless of who wins the 2020 U.S. presidential election. Indeed, should Europe choose to stress the importance of being able to act alone over being able to get things done, it will soon discover that it is incapable of doing either.

COUNCIL OF COUNCILS

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Session Six

Overcoming the Challenge of Meeting the Paris Agreement Goals



Panelist Paper

Overcoming the Challenge of Meeting the Paris Agreement Goals

Council of Councils Regional Conference

November 17–19, 2019

French Institute of International Relations, Paris, France

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Global efforts to develop a multilateral response to the threat of climate change have been marked by several important milestones. The UN Framework Convention on Climate Change (UNFCCC) was established nearly twenty-eight years ago, providing the institutional infrastructure to guide multilateral climate negotiations. The first global agreement to tackle climate change, the Kyoto Protocol, was signed almost twenty-three years ago. The Paris Agreement, adopted in December 2015, was another important milestone in this protracted process. It clearly sets out the high-level goal (keep global average temperature increases well below 2 degrees Celsius and pursue efforts to limit the temperature increase to 1.5 degrees Celsius) and provides the structure through which states can report on progress toward their nationally determined contributions (NDCs).

The sobering reality is that the world is not on track to address climate change in line with the Paris Agreement. Last year, the Intergovernmental Panel on Climate Change (IPCC) reported a deadline of 2030 to reduce greenhouse gas emissions to 45 percent below 2010 levels, and of 2050 to reach net-zero emissions.¹ As it stands, however, not only are global carbon emissions increasing, by 2.7 percent in 2018, but also, and more critically, current national pledges to the Paris Agreement will result in an increase in global average temperatures of between 2.3 and 3.7 degrees Celsius—well beyond the agreed 1.5-degree target.²

In 2020, NDCs will be revised. One of the core principles of the Paris Agreement is that these revisions reflect an ever-greater level of ambition and bring the world closer to a pathway that would avoid the worst effects of climate change.

Although the message from the scientific community about the effects of climate change is consistent, the global political response is a morass of contradictory signals. The Donald J. Trump administration's withdrawal from the Paris Agreement continues to cast a pall on climate response efforts, yet dramatic and hard-hitting social movements holding governments to account for climate inaction are also in ascendance. News of massive investment drives in renewable energy and technological advances in smart grids and energy storage are tempered by analyses showing the scale of ongoing investments in coal, gas, and oil, which at current rates are set to remain major components of the energy mix for decades to come.³

Achieving the necessary political will to implement the Paris Agreement will require a combination of political push and pull. Civil society and the private sector need to put broad-based pressure on decision-makers with strong, direct messaging, but the language of crisis and responsibility should be matched by the language of opportunity and strategic advantage. For example, the Global Commission on the Economy and Climate has argued that bold climate action could deliver at least \$26 trillion in economic benefits

through 2030, compared with business as usual.⁴ Conveying the economic and strategic advantages of being at the forefront of the transformations in the circular economy and the fourth industrial revolution will be critical in generating political will for the necessary changes. Market dynamics or people power alone will not deliver the needed transformation any more than technology alone will resolve the climate crisis. Market dynamics or people power will not deliver the needed transformation any more than technology alone will resolve the climate crisis. Instead, comprehensive, multipronged efforts at shifting current political-economic systems are needed; these efforts should recognize the many power structures and processes that can be leveraged for change.

The question of how to finance this global transition is daunting. Focus has been on government pledges to mechanisms such as the Green Climate Fund. It is critical that substantial resources are allocated to such efforts, and just as important to focus on access to climate finance—ensuring that the resources are used effectively where they are needed most. The reality, however, is that these funds can only ever play a catalytic role. Private- and public-sector investments will always far exceed the resources that can be mobilized for climate funds, an important consideration when at least \$90 trillion in infrastructure investment will be needed to transition to a low-carbon economy.⁵ Private-sector initiatives and a range of institutional coalitions such as [Business Ambition for 1.5 °C](#), the [Investor Agenda](#), and [We Mean Business](#) are a crucial element of the broader transformation. Equally, cities and local governments have been making important progress in both mitigating and adapting to climate challenges. The recent C40 World Mayors Summit provided a platform for city leaders from around the world—including in countries whose national governments have been weak in support for global climate action—to announce their support for a Global Green New Deal.⁶

The Climate Action Summit convened by UN Secretary-General António Guterres in September this year was an important forum to generate momentum ahead of the twenty-fifth Conference of the Parties to the UNFCCC. A number of important themes emerged during the summit and associated events—the increasing prominence of young citizens' voices and broad social coalitions, a stronger role for subnational entities in driving climate responses, and an ongoing emphasis on addressing the financing needs for both mitigation and adaptation. Undeniably, collaboration and partnerships are the new normal for achieving integrated, effective action. An example is the [Alliances for Climate Action](#), which was launched during the summit. The alliance is aimed at building national-level, multi-sector coalitions to support the enhancement of Paris Agreement climate commitments. This includes both public-private partnerships and cooperation among civil-society groups, women, and youth to promote innovation, capacity-building, knowledge sharing, South-South cooperation, and monitoring.⁷

Climate change is one of the major threats facing the natural world and with it the ecosystem services central to human well-being. The extent of current climate effects and likely future consequences of global temperature increases was forcefully outlined in two major reports this year, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services Global Assessment Report on Biodiversity and Ecosystem Services and the IPCC Special Report on the Ocean and Cryosphere in a Changing Climate.⁸ As political leaders negotiate a [post-2020 global biodiversity framework](#), work toward a new [international agreement to protect the world's oceans](#), and wrestle with the challenges of climate change, the interconnectedness of natural, economic, social, and technological systems is more apparent than ever. This message is driven home by the integrated nature of the Agenda 2030 Sustainable Development Goals. As the UNFCCC itself has warned, “climate change presents the single biggest threat to sustainable development everywhere and its widespread, unprecedented impacts disproportionately burden the poorest and most vulnerable. . . . Urgent action to halt climate change and deal with its impacts is integral to successfully achieving all Sustainable Development Goals (SDGs).”⁹

Notes

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Panelist Paper

Overcoming the Challenge of Meeting the Paris Agreement Goals

Council of Councils Regional Conference

November 17–19, 2019

French Institute of International Relations, Paris, France

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Almost four years after the signing of the Paris Agreement, the world is far from beginning the necessary energy transition and alignment with a 2 degree Celsius trajectory, and even less on track with the preferable 1.5 degree trajectory. Opposition to global climate governance has become stronger not only in countries such as the United States, Brazil, Saudi Arabia, and Russia, which ratified the Paris Agreement but stick to weak commitments, but also from other Organization for Economic Cooperation and Development (OECD) countries such as Japan and Australia. Greenhouse gas emissions and energy demand continue to rise, driven by population growth, economic growth, and the transport and construction sectors. Since 1990, the decreased emissions in the European Union (EU) have been largely offset by higher emissions from coal-fired power generation in China. China, India, and other Southeast Asian countries still have more than 400 gigawatts of new coal-fired power generation capacities in the pipeline relative to the EU, which is about to phase out 70 gigawatts (of 140) of its coal capacity by 2030. Renewable energy capacity is growing globally, but only helping to meet growing energy demand, not replacing coal-fired power generation, except in the United States and European Union. Emissions are rising from the transport (aviation and heavy freight), electricity (notably cooling and data storage needs), and petrochemical sectors. The inertia of fossil fuel-based energy systems is strong, and in many large emerging economies the energy policy paradigm is still dominated by energy security concerns, such as meeting soaring demand at low cost. Many emerging economies rightly point to the fact that their per capita emissions and cumulated historical emissions are marginal compared to those of the United States, European Union, Russia, and some Middle East economies.

The October 2018 report from the UN Intergovernmental Panel on Climate Change was a wake-up call that has yet to entice the required changes. Nor did any major changes emerge from scientific assessments showing the dramatic threats facing biodiversity as a result of human activities. The UN Climate Action Summit in September 2019 was disappointing in that it failed to secure enhanced commitments from the major emitters. The world has one more year to enhance their national determined contributions (NDC) before the twenty-sixth Conference of the Parties to the United Nations Framework Convention on Climate Change in Glasgow.

All is not bleak, however; emerging economies are taking measures to address air pollution threats in their booming cities. Leading companies and cities are taking action to fully decarbonize. Insurance companies and shareholders are intensifying pressure to align corporate strategies with the climate reality. Pushed by strong pressure from citizens, the European Union is close to adopting a carbon neutrality objective by 2050 and aims to showcase global leadership and have the instruments to make others move in the same direction. It is now aware that it cannot succeed if others do not follow, and that it will need the power to deploy change, not simply influence. The price of carbon on the EU Emissions Trading System has reached almost 30 euros per ton, and member states are planning to expand its scope to non-covered sectors and to continue curtailing free allocations. Globally, renewable energy deployment costs keep falling.

In addition, although robust, investment levels are still only one-third of what is needed to comply with the Paris Agreement and are largely absent in Africa and the Middle East. China is both a coal and renewables champion and aims for technological leadership in critical low-carbon technologies such as nuclear, solar and battery cells and hydrogen. Coal deployment is still growing, but slowing down. India could see a sharp slowdown of coal capacity additions and an expansion of renewables to meet its electricity demand, which could triple over the next twenty years. The transport sector in rich countries—and in China—has started a long-haul decarbonization effort. The Western banking sector is progressively preparing to lay out instruments to accelerate the low-carbon energy transition. Circular economy, green bonds, corporate social responsibility, carbon footprints, and energy efficiency are increasingly the new drivers of private- and public-actor decisions in the Western world. A global competition for low-carbon technologies and digital systems is shaping the international order: it involves the United States, China, the European Union, Israel, Japan, and South Korea; India and Russia are in need or in search of a positioning.

The world is at a turning point because time is running out to put the right policies and measures in place. No magic technology or policy option exists, but a combination of technologies and policy options (such as solar, wind, nuclear, batteries, hydrogen, blue and green gases, biomass, energy efficiency, reforestation, and carbon capture, use, and storage), conducive investment, and regulatory framework could help. Carbon pricing and regulation will be critical drivers of change, and a fair transition at local, national, and global levels is a necessary condition for success, as are efforts to fund and organize adaptation measures, changes in consumer behavior, and recycling. Considerable focus is on the energy sector and carbon dioxide emissions, but decarbonizing the economy and agriculture sector and curbing methane emissions—especially from the gas and agriculture sectors—will be crucial as well. They will probably require restructuring the global value chains around sources of cheap and abundant decarbonized electricity or hydrogen. New interdependencies will emerge and shape the international system at a time of mounting global uncertainties over multilateralism, trade, and security.

This session will consider the way ahead four years after the Paris Agreement. It will focus in particular on national (possibly evolving) perceptions on mitigating climate change, on perceptions and possible reactions to the European Union's drive toward carbon neutrality and a more assertive external climate policy, and what a world on a more than 3 degree Celsius trajectory means for stability and development. It will also touch on the interdependencies that emerge from a progressive shift to low-carbon technologies. The session's aim is also to determine whether and how new policies and technologies could be pushed at the national level and what the main obstacles and opportunities are. Lastly, it will address how global governance and international cooperation could be fostered in the area of energy and climate, in the framework of the United Nations, International Renewable Energy Agency, OECD, International Energy Agency, International Energy Forum, Organization of the Petroleum Exporting Countries, Group of Twenty, Group of Seven, and at the regional and bilateral level.



Panelist Paper

Meeting Paris Commitments

Council of Councils Regional Conference
November 17–19, 2019
French Institute of International Relations, Paris, France

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Consensus in the scientific community around the main trends in global warming and its causes and effects is remarkable. Although the current warming trend is the eighth such in history, its speed and it being the result of human activity make it unique. In the absence of major initiatives to reduce greenhouse gas emissions, the average global temperature is likely to rise by six degrees Celsius. Even with drastic measures taken, three unknowns present themselves: the likelihood that the Arctic polar ice cap may disappear at the end of the summer melt season within a few years, that tipping points may be breached, and that the cumulative effect of emissions in the earth's atmosphere will endure for decades after emissions have been controlled.

The range of effects is daunting:¹

- rising and more variable and unpredictable temperatures
- warming oceans
- shrinking ice sheets
- glacial retreat
- decreased snow cover
- sea-level rise
- extreme weather events
- ocean acidification

In this context, in an act of extraordinary diplomacy, 196 countries agreed to limit global temperature increase to 2 degrees Celsius above preindustrial levels and in practice to target 1.5 degrees Celsius. Although individual targets and methods are left to individual countries to determine, accompanying commitments have also been made toward both mitigation and adaptation to climate change, and to making financial flows available to achieve these objectives.

Even though U.S. President Donald J. Trump withdrew from the Paris accord in June 2017, other countries in Western Europe and in Asia—along with subnational governments in the United States—have consistently maintained their support for the broad global framework of intent.

Climate change poses a large and immediate challenge to global governance. No single institutional fix is required here; rather many small and medium-sized ones are needed. Their nature and mix depend on local contexts, so the framers of the Paris Agreement were wise to focus on targets and not the details of implementation. By the same token, commitments without credible implementation plans leave room for free riding and willfully over-optimistic expectations of the effects of broad commitments.

Five lessons can be drawn from experiences in policy interventions to address climate change:

1. The low-hanging fruit is gone. Achieving the Paris target requires serious policy design and implementation, consistently and credibly applied.
2. Real policy choices exist, for example, between taxes and subsidies on economic activity or on emissions, command-and-control measures such as emissions limits and outright bans on some forms of economic activity, and incentivizing technological change and its early and wide adoption.
3. In selecting among competing policy choices, the lowest-cost choice should be taken, though over what time frame is tricky. For example, carbon pricing is typically seen as an efficient mechanism to limit emissions but is resisted by some consumers and producers. Incentives for research and design for green technologies can be very cost effective if they yield the right breakthrough technology. If badly spent, they are costly even if they do not arouse the same hostility among some groups that carbon prices do.
4. Like any policy intervention, all climate policy interventions have distributional and other social consequences. Building in progressivity while ensuring that all positive spillover benefits are captured is essential.
5. Spillover issues also mean that many climate policies should be applied universally to avoid free riding, cheating, or other forms of races to the bottom.

For resolutions to be context-specific yet cognizant of spillover effects limits the scope for international regimes. Three themes emerge:

1. creating the analytical basis and public constituency for change
2. creating a level playing field in the pricing of carbon globally
3. finding and distributing the technologies that will lead to a greener future

Although the second and third points require more progress than the Paris Agreement signatories have achieved, there is more scientific evidence and public support for addressing climate change than almost any other global issue. The UN Intergovernmental Panel on Climate Change (IPCC) is a well-resourced, well-regarded standing body that produces regular, authoritative analyses on the science around climate change and related policy issues. The IPCC model is frequently invoked in discussions around other global issues, for example, refugees and artificial intelligence.² And although effective climate action is daunting, climate change and environmentalism have induced mass mobilization, particularly among young people.³

Carbon pricing also requires international cooperation. No effective global carbon-pricing regime exists; instead, there is a patchwork of national and regional carbon-price and exchange systems (as in European Union countries) and subnational systems (as in some Canadian provinces and U.S. states). Most countries have no carbon-pricing system. But climate change knows no country borders and requires a harmonized global effort to reduce emissions into the atmosphere. Countries that do not price carbon adequately are in effect subsidizing the production of goods that increase climate change at the expense of countries that do price carbon adequately. To avoid a race to the bottom, which the existing nonsystem incentivizes, a global carbon-price equalization regime is required.

The General Agreement on Tariffs and Trade Article XX(b) allows for exceptions “necessary to protect human, animal or plant life or health” and Article XX(g) for ones “relating to the conservation of exhaustible natural resources if such measures are made effective in conjunction with restrictions on domestic production or consumption.” This language provides an opening for the World Trade Organization (WTO) to address environmental concerns and has led to proposals for a series of measures that would harness the WTO-based global trade rules to effectively create a global price for carbon in traded goods and services, thus removing the free-rider problem otherwise inherent.⁴

The third recommendation addresses the question of innovation and technology spread. Because climate change is a global problem with significant harmful spillover effects, technologies to fight it need to be adopted early and widely. Experiences in combating hunger and improving global health offer useful lessons.

An underappreciated facet of global development, the international agricultural research partnership known as the CGIAR is a network of fifteen research centers across the world that conducts research on the science and policy of agriculture, aquaculture, and nutrition.⁵ The system is funded by dozens of national governments and private and public organizations. Patents are held in the public interest and advances in technology and technique are disseminated swiftly and freely across countries. This could be the time for a CGIAR for green technology.

Another way to promote innovation for the public good is with advanced market commitments (AMCs). An AMC creates a fund to guarantee a profitable market for a technical advance that is prespecified and unlikely to be produced without such an incentive. Building on the experience that Canada, Italy, Norway, Russia, the United Kingdom, and the Bill and Melinda Gates Foundation gained with pneumococcal vaccines, this method might be applied to, for example, clean energy.

Other options include international competitions such as the Grand Challenges and X Prizes (wherein a problem is specified and a large financial reward is offered for successful resolutions), and more controversial, compulsory licensing, wherein a government might legally exercise its right—enshrined in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)—to override a patent and make a product available at below-patent prices.⁶

Although the international political economy is arrayed against this happening, revisiting TRIPS to rebalance the rights of intellectual property creators with the exigencies of issues such as climate change would provide the framework within which much national and international action might occur.⁷

International processes provide a crucial backstop to national action on climate change. Carbon pricing and technology creation and spread are two areas where this synergy has the potential to work.

Notes

1. NASA, "Climate Change: How Do We Know?," September 30, 2019, <http://climate.nasa.gov/evidence/>.

2. World Refugee Council, *A Call to Action: Transforming the Global Refugee System*, 13–19; Centre for International Governance and Innovation, *Series: World Refugee Council Reports*, January 24, 2019, http://worldrefugeecouncil.org/sites/default/files/documents/WRC_Call_to_Action.pdf; and Nicholas Mialhe, "AI & Global Governance: Why We Need an Intergovernmental Panel for Artificial Intelligence," UN University Center for Policy Research, AI & Global Governance Articles & Insights, December 20, 2018, <http://cpr.unu.edu/ai-global-governance-why-we-need-an-intergovernmental-panel-for-artificial-intelligence.html>.

3. On October 21, 2019, when this note was first drafted, the first search phrase that appeared when "greta" was typed into Google was "greta effect," appearing even above "greta thunberg."

4. See, for example, Jennifer Hillman, "Changing Climate for Carbon Taxes: Who's Afraid of the WTO?," German Marshall Fund Policy Paper, July 25, 2013, <http://gmfus.org/publications/changing-climate-carbon-taxes-whos-afraid-wto>; Maria Panezi, "When CO2 Goes to Geneva: Taxing Carbon Across Borders—Without Violating WTO Obligations," Centre for International Governance Innovation, CIGI Paper no. 83, November 27, 2015, <http://cigionline.org/publications/when-co2-goes-geneva-taxing-carbon-across-borders-without-violating-wto-obligations>; and Rohinton P. Medhora and Maria Panezi, "Will the Price Ever Be Right? Carbon Pricing and the WTO," *Trade, Law and Development* 10, no. 1, September 2018: 18–31.

5. <http://cgiar.org>.

6. "Compulsory Licensing of Pharmaceuticals and TRIPS," World Trade Organization, March 2018, http://wto.org/english/tratop_e/trips_e/public_health_faq_e.htm.

7. Thomas Jaeger, "Merging ACTA into TRIPS: Does TRIPS-Based IP Enforcement Need Reform?," in *TRIPS plus 20*, eds. Hanns Ullrich, Reto M. Hilty, Matthias Lamping, and Josef Drexl (Springer Berlin Heidelberg, 2016), <http://springerprofessional.de/en/merging-acta-into-trips-does-trips-based-ip-enforcement-need-ref/7424084>.