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CONFERENCE TAKEAWAYS

- Growing public skepticism of globalization and free trade, and volatile domestic politics, are threatening the established liberal world order.
- International cooperation could help allay challenges that are the traditional domain of sovereign states, such as migration and security, but growing skepticism of global governance is weakening prospects for effective international policy coordination.
- Efforts to solve today's protracted transnational challenges are also hampered by continued geopolitical tensions between the West and Russia, the diffusion of power in states around the world, and dysfunctional international institutions. These factors create incentives for unilateral and ad hoc action.

INTRODUCTION

Growing opposition to globalization and global governance is upending the established international order, weakening prospects for addressing today's most pressing transnational threats, and minimizing opportunities for economic growth. The enduring threat of transnational terrorism, renewed prospect of territorial aggression, massive flows of migrants, and perceived weakening of national sovereignty are causing policymakers to question past assumptions about world order and regional security. To consider how best to address these challenges, thirty-four delegates from nineteen countries gathered for the Council of Councils Ninth Regional Conference in Berlin, Germany.

EUROPEAN REGIONAL SECURITY

European disunion, Islamist extremism, and security challenges from the east and south are challenging the existing European regional security architecture. Simultaneously, growing nationalist movements throughout the region call into question whether further integrating or reforming regional security institutions is possible. Most conference participants concluded that diversity in international ambitions across European countries is a genuine challenge to overcome. The lack of cohesion among European nations weakens Europe's collective capacity to share common threat assessments and hinders efforts to tackle crises and threats. For instance, although many European countries consider Russia's aggressive foreign policy a serious challenge, they differ on the severity of the challenge and on how to maintain and adapt relations with Russia.

The discussion of regional security institutions focused primarily on the European Union (EU) and the North Atlantic Treaty Organization (NATO), but participants also noted that the Organization for Security and Cooperation in Europe (OSCE) has been hindered by Russia's intransigence. With traditional security guarantees falling apart in a paralyzed OSCE and a neglected NATO—even after a renewed sense of purpose following Russia's annexation of Crimea—most participants agreed that the EU is the best forum for a more coordinated and institutionalized defense structure in Europe. Unfortunately, years of uncoordinated cuts in defense spending have eroded the EU's security role. Participants also discussed the level of European integration and why the most highly

institutionalized region in the world was not able to prevent territorial aggression or terrorist attacks. Several participants argued that European regional security institutions are not flexible enough to adapt to the changing security environment. Others believed more institutions were needed to better coordinate security efforts. However, one participant argued that Europe should worry less about institutions and focus more on specific policies that reduce duplication and promote collective and specialized European security efforts.

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Suggested Policy Prescriptions

- EU countries should galvanize their industrial and technological agenda in order to create a truly European defense research and development sector. This includes support for the completion of a European single market for defense and security to avoid duplication and lack of interoperability in European military procurement.
- Like-minded European states—such as Belgium, the Czech Republic, Estonia, France, Germany, Hungary, Italy, Luxembourg, Portugal, and Spain—should use the EU treaty as a basis for more permanent structured cooperation to move European defense integration toward a more flexible and pragmatic approach. This involves creating plans for joint military capabilities and the possible creation of a permanent EU military headquarters in Brussels.
- EU countries should prioritize defense and security discussions at the informal summits on the EU's future, starting with the next meetings in Malta at the beginning of 2017.

MIGRATION AS A SECURITY CHALLENGE

Massive, uncontrolled migration flows pose humanitarian and security challenges to global peace and stability. Conference participants agreed that the huge flow of migrants is the result of multiple factors: ongoing regional conflicts and instability, the lack of proper humanitarian funding, inadequate policy coordination, the absence of legal pathways for migrants, and a rising demand for low-cost labor. Participants stressed that it was important to differentiate between refugees and migrants, but noted that, in reality, these distinctions can blur during emergencies—a phenomenon that may increase as a threat as climate change grows.

Viewing migration through a national security lens can be dangerously misleading.

All participants agreed that the current migration crisis necessitates international cooperation and coordinated solutions that both fight the root causes of migration and promote the effective integration of refugees and migrants. Some participants warned that viewing migration through a national security lens—terrorism and organized crime—can be dangerously misleading and affect how nations attempt to alleviate this humanitarian crisis. Others argued that the more the issue is treated as a regional security threat, the more likely it is that states will take the lead and implement restrictive policies. Another participant argued that though restrictive policies may be easy to enact, closing borders and building fences are temporary measures that do not address the fundamental reasons for irregular migration. Participants highlighted the need to address the massive gap in

funding for humanitarian assistance in transit and host countries, but noted the difficulties in covering the $15 billion shortfall through a patchwork of grants and funding from governments.

Suggested Policy Prescriptions

- All signatory countries should universally apply conventions of international law on migrants. Many conventions—including those relating to labor migration and rights of migrants—are currently not fully ratified, fully complied with, or enforced by critical countries.
- International donors should provide better financial and institutional support to help transit and host countries handle the large numbers of migrants. Additional development assistance should address the root causes of displacement.
- National governments should collectively review the possibility of mobilizing private resources to create a migrant development fund or new development bank that focuses on finding a self-sustaining economic solution to promoting the integration of refugees and migrants.

THE FIGHT AGAINST ISLAMIST TERRORISM

The self-proclaimed Islamic State has claimed responsibility for and inspired attacks around the globe. The increase in attacks over the past few years has put an international focus on addressing Islamist terrorism and radicalization. However, there are no easy solutions for preventing radicalization, and, as participants suggested, forming the necessary global coalition to fight Islamist terrorism is challenging because of geopolitical and religious dynamics, as well as the fact that there is no agreed-upon definition of terrorism or Islamist terrorism. Furthermore, one participant warned that Islamist terrorism is increasingly becoming a convenient umbrella term that does little to tackle the actual problem.

Focusing on the role of international institutions in combating terrorism may not be the best way forward.

Many participants were dismayed by the lack of progress in the fight against Islamist terrorism. However, they acknowledged that groups such as the Islamic State are hard to defeat because they have grown beyond organizations to become ideologies that can easily spread across borders. Viewpoints diverged on how to fight Islamist terrorist ideology. One participant suggested either diminishing the ideological motivation, which can take generations, or downgrading the groups' capabilities and weaponry. Other participants suggested that until education, poor governance, and poverty are dealt with in the Middle East and beyond, Islamist ideology and jihadi extremism will continue to be seductive to some groups around the world. Additionally, one participant suggested that focusing on the role of international and even regional institutions in combating terrorism may not be the best way forward because they are far removed from the environments where terrorist activity occurs.

Suggested Policy Prescriptions

- International donors should further fund local counter-radicalization programs. Counterterrorism efforts should start at the local level to prevent continued indoctrination and provide a more lasting solution to the issue of extremism.

- Affected countries should increase intelligence sharing to exchange information, advice, and shared experiences so terrorist activities can be better countered and prevented.
- UN member countries should review the possibility of creating a subsidiary body or separate agency to the UN Security Council to manage counterterrorism policy against individuals supporting acts of terrorism. This can be modeled after the International Atomic Energy Agency or the Organization for the Prohibition of Chemical Weapons.

BREXIT'S IMPLICATIONS FOR THE EU AND THE WORLD

The decision of the United Kingdom (UK) to exit the European Union, known as Brexit, sent political and economic shock waves around the world, and reflected growing public skepticism of international institutions and free trade. While acknowledging the sovereignty-related concerns British citizens had in the campaign, most participants believed Brexit will have harmful economic and political global consequences. Several participants speculated that, absorbed by its internal problems and uncertainty after Brexit, the UK would now have a diminished international role, but not all participants agreed. One participant believed Brexit could give the UK an opportunity to expand relations with Asia and reenergize its Commonwealth connections. Regarding Brexit's implications for the EU, most participants agreed that although a domino effect of other member states leaving is unlikely, Brexit will weaken the EU: the group will lose its second-largest economy, largest defense spender, and third most populous nation. Other participants added that the fact that Brexit negotiations will not resolve the EU's deepest structural problems—such as a eurozone currency union without a fiscal union and free internal movement without a common external border force—does not bode well for the EU going forward. Others contended that Brexit could be an opportunity for the EU to attempt to reboot the European project. Most participants, however, saw little appetite in the EU for big reforms at this time.

All participants agreed that the UK will almost certainly leave the European single market in order to seek full control over immigration and end the supremacy of EU law in the country. This "hard" Brexit would be economically damaging to the UK, EU, and beyond. Although several participants suggested that negotiations could result in a separation agreement that introduces some flexibility in the four freedoms of the single market—free movement of capital, goods, people, and services—most participants expected that the other twenty-seven member states of the EU, also known as the EU27, will be uncompromising in their belief that the EU is a community of laws and the single market only works when all rules are followed.

Suggested Policy Prescriptions

- Brexit negotiators should keep the UK as deeply integrated in the European economy as possible.
- The EU27 and the UK should conclude Brexit negotiations as speedily and collegially as possible.
- The EU27 should prioritize their cohesion and emphasize a narrative that incorporates a common European interest in the security and prosperity of the continent.

*POPULISM AS A CHALLENGE TO POLITICAL STABILITY AND
GLOBALIZATION*

The year 2016 has been marked by a populist, nationalist surge that is upending the established
Western political order. It is a reaction to the changes, uncertainty, and economic insecurity
brought by globalization and neoliberal economic policies, and the failure of mainstream political
parties to properly adjust policies to these social discontents. However,
globalization is not the sole culprit; there are economic, cultural, and
political undertones that can also explain populism. Participants lamented
that populists on all sides—reflecting different degrees of nationalism,
protectionism, and opposition to immigration—represent a serious threat to the international
institutions, free trade, and open borders that have raised billions out of poverty. Populists in power
may make managing transnational problems such as climate change difficult because many such
leaders support simplistic answers to complex problems and consider multilateral cooperation a
threat to national sovereignty. Furthermore, the populist desire to impose economic protections to
preserve jobs in traditional industries will likely end major regional trade deals and slow global
economic growth. However, several participants emphasized that populism is sometimes a
necessary tool to ensure political elites are held accountable.

*Policy institutes
cannot just cater
to elite audiences.*

Several participants highlighted that respect for policy expertise has been a main casualty of the
populist wave. This led to a discussion on the implications of populism on policy institutes. Several
participants noted that policy institutes cannot just cater to elite audiences. They also need to
appreciate that populist emotion often cannot be countered by careful technical arguments, but
rather through dialogue that shows a real commitment to understanding those emotions and
reflecting that understanding in policy. Another participant suggested that experts were not
focusing on the sources of discontent with globalization, such as inequality in wealth, income, and
opportunity. Additionally, participants noted the current lack of populist movements outside of the
West. One participant explained that globalization is an equilibrating process that, while benefiting
the majority of people around the globe, gradually shifts resources from wealthy nations to poorer
ones. Another participant noted that if the populist surge causes Western countries to pull back
from their global responsibilities, rising powers could more successfully push for larger roles and
more influence on the international stage.

Suggested Policy Prescriptions

- Policymakers and experts around the world need to acknowledge globalization's discontents,
  adapt policy, and focus on communicating the benefits of globalization and global governance
  on a grassroots level.
- Supranational and national policymakers and regulators need to strike a policy balance
  between the needs of the market and the economic imperatives of individual countries.
- Policy institutes should focus more on immediate, concrete sources of social discontent, expose
  faulty policy analysis, and frame their research in a more directly accessible way for both
  policymakers and the public.