

Transworld Final Conference
The West and the Global Shift of Power: Transatlantic Relations and Global Governance

July 13, 2015
Washington, DC

On Monday, July 13, 2015, the German Marshall Fund of the United States (GMF) and the Istituto Affari Internazionali (IAI) hosted a conference on the future of transatlantic relations and global governance, which constituted the culminating event of the Transworld project.

Morning and Lunch Sessions: “Rethinking Transatlantic Relations in the Multipolar Era”

The morning session featured an exchange with Transworld researchers and experts.

After welcoming remarks by Daniela Schwarzer, Senior Director for Research, Director of the Europe Program, and Director of the Berlin Office at GMF, Ettore Greco, Director of IAI, presented some background information about the Transworld project, the EU-funded project which aimed to identify ways by which the US and European countries can address the greatest challenges to the global order. Over a period of three and a half years, Transworld was supported by the input of numerous experts and drew from 35 research papers, a survey and a Delphi exercise.

Transworld Coordinator Riccardo Alcaro of IAI proceeded with a concise overview over the most important findings of the recently released Transworld report. He concluded that while the world was in a state of fragmentation and the capacity for state actors to display leadership continuously dwindled, decisive leadership from the transatlantic partners is still necessary to combat growing global threats to security, economics, and the environment. He moreover related that there were no significant structural domestic impediments to transatlantic cooperation, as elites on both sides of the Atlantic remain committed to the transatlantic bond and the publics still hold a generally positive view of it.

The first session, moderated by Dr. Schwarzer, focused on the different views and areas of expertise of three Transworld researchers. Paola Subacchi, Director of the International Economics Departments at Chatham House, discussed how the fundamental changes occurred since the project was launched in 2012 had altered the frameworks for transatlantic cooperation and global governance. She argued that whether the transatlantic partnership could serve as a leading voice in the global sphere would depend on whether Europe would be able to solve its internal problems. John Peterson, Professor of International Politics at the University of Edinburgh, presented a more positive outlook, arguing that transatlantic relations are “in surprisingly good shape”. Although the partnership faces challenges on several fronts, there seems to be hope in finding avenues to address the most pressing conflicts, as opportunities for transatlantic cooperation in areas such as trade (TTIP) and climate change continue to surface.

Pierangelo Isernia, Professor of International Relations and Research Methodology at the University of Siena, presented a few snapshots of the results drawn from the project’s Delphi exercise, which demonstrated that experts perceived a concerning lack of institutionalized responses to global challenges and were skeptical that viable solutions to problems such as the migration crisis could be found under these circumstances. The results also showed that the divide between US and European views on perceived global challenges grew between 2010 and 2013 – with US leaders expressing growing fears about the

potential military threat emanating from China in 2013, while European leaders upheld their opinion that China merely posed an economic, not a military, threat.

Following the three presentations, a discussion centered on dysfunctionalities in transatlantic governance, particularly within the European Union, ensued. While all panelists acknowledged that institutional difficulties in the EU increased as the disparity between EU member states grew, there seemed to be little hope that these challenges could soon be overcome—especially as the US seemed to have found an acceptable format by negotiating with leading EU member states like Germany and France in solving international crises.

The lunch session, which was moderated by Amy Studdart, Deputy Director and Fellow, William E. Simon Chair in Political Economy, the Center for Strategic and International Studies, was devoted to a presentation by Jeremy Shapiro, a Fellow at the Brookings Institution. Mr. Shapiro provided an overview over what he perceived to be the six major challenges to the liberal world order, which he argued was imposed on the rest of the world through the United States. These challenges emanated from Russia, China, the emerging economies, the Middle East, Europe, and the US itself.

According to Mr. Shapiro, only Russia posed a direct systemic challenge, while all other actors undermined the system peripherally. China had no intention of directly challenging the system, Mr. Shapiro argued, but while seeking ways to tweak the system in order to “get a better deal,” the country posed an “erosion challenge.” The emerging economies, meanwhile, constituted a “bystander challenge,” because they did not recognize any obligation to contribute to or enforce the liberal world order. The Middle East posed an “implosion challenge” because the region lacked noticeable security governance. He judged that the threat deriving from the Middle East would actually be manageable if the other challenges were addressed first. Europe, posed a “backlash challenge.” From an institutional view, the EU served as one of the greatest upholders of the cooperative order. However, as globalization created winners and losers, nationalist backlash against perceived threats from the liberal world order was growing. Finally, the US threatened the system itself through its “hypocrisy challenge,” which Mr. Shapiro argued was buttressed by US double standards in refusing to sacrifice US sovereignty while demanding exactly that from the rest of the world. Drawing from this characterization, Mr. Shapiro argued that the US and the EU would first have to eliminate their internal challenges to the system, before they could move on to deal with the bystander, erosion and direct systemic challenges.

Afternoon Session: “Shaping Global Governance: The Challenges to Transatlantic Cooperation”

The afternoon session of the Transworld conference featured an exchange with policymakers and officials from both sides of the Atlantic. The session was moderated by Ambassador Marc Grossman, Vice Chairman of the Cohen Group and Member of the GMF Board of Trustees, and a former US Ambassador to Turkey. Ambassador David O’Sullivan, Head of the Delegation of the European Union to the United States, and Congressman Gregory Meeks, Ranking Member on the Subcommittee on Europe, Eurasia, and Emerging Threats at the United States House of Representatives, both joined Ambassador Grossman in an animated conversation regarding opportunities to restructure global governance by creating closer transatlantic cooperation on security and trade issues.

Ambassador O’Sullivan congratulated the Transworld contributors on their insightful report, which discussed potential routes to foster transatlantic leadership in light of growing challenges to the established world order. While Ambassador O’Sullivan agreed that far-reaching global changes seemed to verify that a tectonic plate shift was currently shaking the international power balance, as the report suggested, he acknowledged that one would need historic distance to judge whether the current developments really constituted such a pivotal moment. Nonetheless, he insisted that it would be particularly important to remember common Western values, which, he argued, constituted the most fundamental aspect

underlying the transatlantic relationship, as global power shifts threatened to injure the preeminence of the Western partnership.

Congressman Meeks voiced similar sentiments, stressing the need for unity. He noted that as the United States and its European partners were involved in negotiations over the Transatlantic Trade Agreement (TTIP), transatlantic cooperation was particularly critical. He argued that TTIP would be critically important in setting standards and establishing a cooperative trade framework that would define global trade in the decades to come. For the same reason, he contended the Transpacific Partnership (TPP) would be essential in setting trade standards in the Pacific region, a vacuum that would otherwise be filled by China. At the same time, he expressed doubts regarding China's potential to evolve into a military threat, based on his conclusion that such a hostile posture would jeopardize Chinese economic interests, which are irrevocably tied to the West.

Ambassador O'Sullivan also commented on the strategic role of China, arguing that the only threat that should worry the transatlantic partners "more than a successful China," was a weak China. He also agreed with Congressman Meeks that, while China would challenge the West in economic and political terms, it would not emerge as a military threat. With regard to TTIP, Ambassador O'Sullivan, however, disagreed with the Transworld report findings, which projected that diverging views on agricultural standards on both sides of the Atlantic would be a great impediment to reaching a transatlantic trade agreement. Ambassador O'Sullivan contended that the only significant sticking point was the issue of the Investor-State Dispute Settlement (ISDS), and even on this front the negotiations were progressing steadily, according to his assessment.

In an elegant closing argument, Ambassador Grossman resolved that ultimately, both the US and Europe would have to get past "non-issues like bananas and chlorinated chicken," which continued to define the public TTIP debate, if the transatlantic partners are to strengthen the transatlantic partnership going forward.