

70TH KÖNIGSWINTER

THE BRITISH-GERMAN CONFERENCE

24TH – 25TH SEPTEMBER 2021

Introduction

This year's Königswinter Conference was unique for two reasons: it was the last conference with the UK still being part of the EU and it was the first ever virtual iteration of the annual conference in its 70 years of existence. With participants gathering in both London and Berlin in a socially-distant manner, both were connected online and able to dial in speakers and commentators from afar.

Given these circumstances, both the Covid-19 pandemic and the ongoing Brexit negotiations were often mentioned. But also other challenges faced by both countries were examined, including climate change, the challengers of the international rules-based system and the threats facing democracies today. Among these discussions, there was a common thread of hope – the significance of a continued German-British partnership and the benefits of future cooperation.

Opening of the conference

In his opening remarks, Sir Michael Arthur, Co-Chairman of British-German Königswinter, welcomed the participants in London, Berlin and those joining via virtual means while observing the truly unique conditions under which the 70th iteration of the Königswinter Conference was taking place. Ms Wendy Morton MP, Minister for European Neighbourhood and the Americas, echoed the sense of this unique conference, as the British-German relationship was about to enter a new phase, and expressed the hope that Königswinter would continue to provide a forum of exchange between the two nations – even, and especially when, disagreements were taking place. She warned that while the benefits of mutual partnership were an easy-sell amongst those who understood and knew the other side, it was important to cast a wider net.

In introducing the conference on the German side, State Secretary Dr Mark Speich acknowledged that most Königswinter conferences were introduced with the statement that the event had never been more important – but that it was true this time. He also pointed towards another anniversary this year – the 75th anniversary of the state of North-Rhine Westphalia.

In his remarks, State Secretary Miguel Berger took the participants back to the conference's inception in 1950, at a time when, just like now, both nations faced fundamental challenges. He pointed to a friendship that was underpinned by shared values but a bond that also faced the real risk of drifting apart. He cautioned that a continuation of this friendship was not a foregone conclusion but would require a serious effort on both politician's and civil society's part. That while the dense fabric of interaction between both societies had created familiarity and mutual understanding, this trust is not immune to change. Especially since the process of leaving the EU had been long and trying, there is risk of disenchantment and alienation, both societal and political, which had not been improved by heated public exchanges. Speaking on the pandemic, State Secretary Berger highlighted that responses needed to rely on bilateral and multilateral cooperation and that only a coordinated approach would have the desired effect. This was a common theme of the introductory remarks: that the UK and Germany remained likeminded on many issues and should continue to use their combined influence to make a difference on important matters such as public health, research and foreign policy, specific instances being named including Iran, China and ongoing climate change discussions. There was an agreement that the partnership would be a major force for good in the world.

Session I

The outside perspective: Geo-political Change and Multilateralism

Ambassador Wolfgang Ischinger introduced the first session of this year's Königswinter Conference by reminding participants that another anniversary was shortly due – the 30th anniversary of German reunification.

The pandemic affecting the global power balance has meant that pre-existing trends were accelerated during the crisis while previous certainties were crumbling, such as the idea of the US as a steadfast and guaranteed protector, the notion of an ever closer union and the prediction that both China and Russia would be assimilating to the western system, as well as the general expectation that the western model of democracy was to be aspired by others and would be willingly followed. This notion was echoed throughout the conference at several points, emphasising that the assumptions of the previous generations had since been challenged and some ideas having been dismissed already.

The global challenges discussed today are intersecting with a shift of economic power towards the East, and therefore, unless the global system is put into a more appropriate order, challengers would continue to pose a struggle against the old system. The situation has worsened during the Covid-19 pandemic, as evidenced by the deteriorating relationship between China and the US. China's rise as an economic giant is not unexpected, however it had been assumed that joining the World Trade Organisation in 2001 would mark a turning point in its history. However, this had turned out not to be the case. Now, in 2020, Europe is about to conclude an investment agreement with China, which would allow for reciprocity and ensure a level playing field. It was pointed out that a future joint policy would need to make clear that there is no need for European businesses to choose between the US and China. This is to avoid further trade wars, as well as pressure on European businesses having to choose between the two economic powers, the US and China.

With the Brexit negotiations steering towards an end, and with this being the last Königswinter Conference that would be held before the UK's official exit out of the Union, the Brexit theme dominated many of the discussions. A German participant noted that Brexit could potentially hold back Europe by limiting the region's ability to respond to challenges due to new divisions: While the UK is losing its leverage, the EU loses an UN Security Council seat holder. But there was also optimism and the chance to use the current crisis as an opportunity: while the UK could become a nimbler player on the international stage, the EU is now able to press ahead with deeper integration without being held back by a reluctant member.

The future relationship between the UK and Germany was a topic that was picked up on several occasions during the conference and presented a running thread. Due to their combined influence, shared interests and common goals, they could consider each other as reciprocal force multipliers and, it was suggested, should continue working together on formats such as the JCPOA. The E3 partnership was often mentioned as a vehicle for further cooperation, given its previous successes regarding Iran in particular. One participant in London pointed out that the UK would be keen on such an arrangement but that the current government is averse to any partnerships that lead through Brussels, whereas the German instinct would lie in looking towards the EU first. The participant voiced doubts whether the diplomatic achievement of the JCPOA would have been possible in a post-Brexit world. Further, there were uncertainties raised whether Germany could justify its close relationship with the UK in the format of the E3, the UK thereby taking a privileged position, instead of other EU members. One participant in the UK noted that there were many matters that would drive the entire European neighbourhood to work together in the security sphere, not just as a trio: such as an aggressive Russia, but also non-state threats such as migration and organised crime. Speaking more broadly about future cooperation, it was pointed out that relations would benefit from diplomats being doubled in number in both London and Berlin, and British diplomats across all of Europe.

Further areas of cooperation outside of foreign policy and security mentioned were technology and climate change. One participant in Berlin stated that there was a danger that Europe would fall behind in the technology sector, specifically coming up short behind tech giants like the US and China, who are

currently embroiled in a digital Cold War. A participant from the UK noted a particular trend among space start-ups in Germany that often were approached by US funding and government agencies' support, directing their research across the Atlantic. The participant noted that this was not an isolated problem but could be observed elsewhere. The ongoing competition between the US and China could also be seen as an opportunity for Europe to provide a balancing role. While there is a tendency to assume that the US star is falling while China's star is ascending, the staying power of the US sector is not underestimated – a fact that China is well aware of. Further, it should not be assumed that the Chinese leadership, despite the obvious concerns, does not enjoy a strong base of domestic support. A divergence of partnership was highlighted in the US wishing to decouple from China, whereas the EU was seeking to diversify its trade partnerships. The recently published Indo-Pacific strategies by France and Germany mark an important part of this diversification and had underlined the many areas of mutual interest.

While the UK and Germany shared the same goals regarding climate change, it was pointed out that a climate change fight without the US and China was futile. Speaking to the combined effort, one British participant voiced cautious optimism, stating that the forums working towards this goal had all emerged over the last five years and had shown that cooperation can work and that the matter was surrounded by a positive international spirit.

'Britain's future relationship with Europe & Germany; the British Government's view on the way forward and how it will work'

A special conversation with The Rt Hon Michael Gove MP, Chancellor of the Duchy of Lancaster & Minister for the Cabinet Office

The Right Honourable Michael Gove was in conversation with Dr Robin Niblett and began his remarks by reiterating the British desire to hold a special relationship with both Europe and Germany and wanting to find a solution to the remaining obstacles to an agreement. Highlighting the EU's importance to the UK in terms of trade, he stated the differences that had led to the British exit – that the general direction of European leaders was to lean towards greater European integration, while the UK had been diverging and wanted to ensure that its independence was granted, including the ability to make autonomous decisions on future questions, such as digital regulation. In that way, so Mr Gove, the UK had acted as the “stone in the shoe”, or the “nagging uncle” of the EU, which did not have solely negative connotations, as it also meant the presence of a crucial critical voice.

Picking up on earlier discussions around the common interests and the shared problems of the UK and the EU, Mr Gove mentioned the future links that would reflect those interests, such as the 2021 United Nations Climate Change Conference, shared policies in the Middle East and the approach towards China. However, these shared interests and goals alone do not make for a special relationship and a discussion soon began about the concrete structures of an intensive cooperation between states. Security and defence cooperation were debated, with a focus on joint counter-terrorism efforts. While practical cooperation was mentioned and continuous conversations in international forums and elsewhere clearly favoured, one participant also warned that the EU would be worried about parallel structures being built. A participant in the UK cautioned that the real challenge lay in NATO and that a German-British partnership should not be taken for granted, as both sides needed to step up their diplomatic representation, aided by diplomats holding conversations with people they disagreed with. An exercise in so-called imaginative sympathy, thinking about why the other side thought or acted in certain way, thereby enabling a more fruitful dialogue. Furthermore, increased people to people contacts between the UK and Europe would aid the creation of structural ties for a close relationship. One participant highlighted that a strong bilateral relationship between the UK and Germany could complement the British ties with the EU and should not be viewed in competition. Specific areas of collaboration could include scientific coordination, and educational as well as cultural exchanges.

The conversation turned towards the countries' handling of the pandemic and what lessons could be learned on both sides. Germany's decentralised system had given it an advantage during this crisis and sparked a discussion around the potential reorganisation of British politics, which had become

increasingly centralised. The less adversarial nature of German politics had proven to be a strength, as it provided a more consistent approach towards the economy and while it was not unique to Germany, this system meant that a majority consensus could be reached most of the time. The federal system with its clear and stable separation of powers, resources and responsibilities between all levels had proven to be a strength in crisis, as it allows for variation in policy. Transferring this approach to the UK and speaking of the possibility of further devolution, a sense of political identity at a regional level would be needed, which, for the moment, would spell an uneven settlement. The importance of taking stock of the current tools available was part of the reason for the UK's current Integrated Review, and to use this time of political adjustments to redefine where the UK should be.

'Britain at an International turning point; how will we best work with Germany? A conversation with Lord Sedwill of Sherborne to be followed by Q&A

Lord Sedwill of Sherborne, in conversation with Nik Gowing, put Brexit in a global perspective by describing it as a small local difficulty. The big turning point, he stated, lay not in that but rather how the global system was responding to its big challenges.

Speaking to one of the biggest trials of this generation, the Covid-19 pandemic, Lord Sedwill said that the averse economic impact had arisen from the particular nature of the Coronavirus and that one must not assume that the lessons of this crisis would apply to every economic or public health shock. However, there were fundamental lessons to be learned, such as taking stock of existing capabilities, as part of the problem this time had been the lack of contingent capability in healthcare. In fighting a threat that was unprecedented in its scale to this generation, the pandemic had brought public sector leaders together that did not usually interact with one another, such as the national security and public health communities. The whole public sector had to be brought together to have the network in place for these emergencies. For the future this meant that other challenges, such as climate change and economic security, that were not traditionally thought of as national security threats, should be included in the broader thinking about how to keep communities safe.

Speaking to the rules-based international system, Lord Sedwill reconfirmed the UK's commitment to the multilateral system but warned that the big countries that were benefitting from it needed to reinvest in it so that smaller states could also gain from it. Asked by a German participant about the future standing of the UK in the world and its relations with Germany, Lord Sedwill pointed towards identifying aligned interests first and finding alternative accommodations for the minority of issues where there are disparities – he also stated that the UK and Germany could still be a complementary force even on themes where they disagreed.

With the conversation turning again to the challengers of the international system, a British participant challenged the notion of thinking of China as the greatest threat to the world order and questioned the shift of using such forceful language in the British government. China being more complex than a simple "threat" to the world order and the word "challenge" being perhaps more appropriate. The challenge to the world order was a simple consequence of the country's size and the world stage had never seen a player of its structure and scale emerge in this manner before. Considering the different approaches taken towards it, the response was likely to be mixed, with certain areas of competition (particularly towards trade) but also of areas of cooperation, for example in the fight against climate change. It was agreed that the rules of competition will need to be fair and enforced for both. The interests and policies of both Germany and the UK aligned with that view.

Day 2

Session II

The inward perspective: Together in Europe

Ambassador Hans-Henning Horstmann, Co-Chairman of the British-German Königswinter, welcomed Ms Katarina Barley MEP to kick off the second day of the conference. Ms Barley stated the personal importance of the Brexit vote for her, holding citizenship of both countries, and said that the Brexit process was an imbalancing process for the EU, weakening it in a global world. Picking up on Michael Gove's point from the previous evening, Ms Barley acknowledged that while the EU would be losing a difficult partner, it would further lose a liberal democratic partner that held the same values, such as the importance of the rule of law and democracy. In an international climate in which these values stood endangered, the EU had lost a close ally that had aided the fight for the separation of powers and the independence of justice. The element of international order and the rule of law was also mentioned on the previous day of the conference, when the status of the UK as a beacon of the rule of law was called into question. The controversial decision of the Attorney General to allow civil servants to bring forward clauses for parliament to consider, even if the proposals, if carried out, would be in breach of international law, was questioned and the consequence for the UK's status as a champion of the rule of law challenged.

Co-Chair, Stephanie Flanders, started off by steering the conversation towards the structural changes in the global economy and the way in which the Coronavirus pandemic had pinpointed vulnerabilities in the British economic model, which showed more extreme inequalities geographically as a result of a centralisation of the system and an underinvestment in local institutions. Meanwhile the German model was more vulnerable to the ups and downs of trading patterns and thus more volatile. As both countries are experiencing an increasing pace of automation, a result of both Covid-19 and the move towards more service-based economies, the definitions of goods and services themselves are changing. This could allow the UK and Germany to complement each other's capacity in their responses.

Warning of the effects of illusions of retrospective determinism, one participant cautioned that the Brexit vote had not been inevitable. Further, the discussion of removing channels of communications with the EU brought up the question of what to replace them with. A British participant pointed out that the pandemic will make global cooperation more difficult, since it reinforces a desire for self-reliance and strategic autonomy. One German participant pointed out that the phrase "strategic autonomy", while often used and an attractive idea, was entirely unrealistic, even with the UK leaving the EU.

One participant noted the British government's apparent contrast in response regarding new structures with the EU, while there was more enthusiasm around bilateral agreements, thus showing that the government would be open for cooperation but would simply object to programmatic or strategic commitments. The latest UK-Japan trade agreement was used as a case study of what the UK was capable of achieving outside of the EU, as the new agreement did more than simply copy the EU-Japan agreement, as it also encompasses data and digital, as well as financial services. A British participant pointed out that this would not have been possible if the UK had been part of the EU, partly because trade as part of an institution usually means finding the common lowest denominator. Meanwhile, another participant voiced their optimism about the UK's future as a financial services leader, meaning that this will enable further opportunities and enable the country to incorporate them more swiftly.

One participant noted that the element of uncertainty regarding the future relationship between the UK and the EU was an underlying element of these deliberations, which ultimately got in the way of the intentions towards a future relationship and their place in the UK's future. The question was now how it would be possible to build an environment of trust despite the uncertainty. While the new role of the UK remains undefined, much common ground between the EU and the UK could be covered if the UK chose to remain a close ally. If no agreement could be found during the negotiations and a "hard Brexit" would come into effect, partnerships would have to be built from scratch and could have implications for economic development. A German participant stated that while the EU-UK relationship was likely to

hold both partnership and competition, we would be seeing economic competition, since the rationale of Brexit was for the UK to do better economically outside of the European institution. A British participant pointed out that while current government is seeking to compete against the EU, a future Labour government may want to set up a customs union to enable closer trade, as well as other structures to enable closer cooperation.

Session III

Societal Change and Governance – The Push-back Against the System

Sir David Lidington opened the final session of the conference by outlining the big changes faced by societies today, including sci-fi worthy technological advances, which had driven dramatic changes in the economy and shaken up white collar work. Equally, globalisation has led to societal divisions – namely those who considered themselves as having benefitted from increasing globalisation and those who did not. In both the UK and Germany, parts of society were less affected by both technology and globalisation, leading to societal tensions. These strains also affected different generations, where the young now feared being poorer than their parents, with home ownership appearing as a faraway dream rather than a tangible goal. On the other hand, the young are more likely to be familiar with the newest technology and are more likely to be more internationalist in their outlook. On the opposite side, mostly noted among older generations and those living in rural areas, a less internationalist outlook had led to negative perceptions towards immigration. However, the trend is not likely to decrease and will remain a challenge for this century, given economic developments, climate change and the occurrence of conflict.

There is a temptation for politicians to use these attitudinal differences, erect them into ugly manifestations and wage culture wars. An inclination that is furthered by digital media driving political polarisation and by the Internet providing a platform for people who can threaten and vent under the cloak of anonymity. This has led to online threats to politicians, especially so if they are an ethnic minority and/or female and ultimately, it has led to people being less inclined to join politics.

The solutions to these divides are difficult to discern. Would a different electoral system aid hinder polarisation for example? While both main political parties in the UK have absorbed their fringes, in Germany fringe parties have achieved seats in the Bundestag. Many of these dividing challenges have affected societies all over the world and can only be resolved through an internationally coordinated effort – such as diseases, the taxing of online businesses, immigration and carbon net zero. One participant in the UK pointed out that the traditional tools of consulting with allies on these issues was not effective in these times as states veered towards individualism, rendering multilateral systems under threat. In addition, foreign policy debates are taking place in a bubble and less transparent, with the public often not taken into account. This lack of transparency meant that many people were unaware of how certain policies can benefit them. Furthermore, there is a particular erosion of trust between governments and young people, as they feel that their issues are not addressed.

Co-Chair, Amanda Diel, opened the discussion on the German side by picking up on Mr Ischinger's address the previous day, where he touched upon political certainties crumbling and traditional policymaking bodies becoming frailer as a result. Ms Diel suggested an approach that would elevate and move forms of policymaking to the centre stage by high diplomacy utilising the digital space to drive good policy. The Internet having become a political platform, this new way of thinking could prevent politicians from feeling coerced into changing the political agenda via hashtags and using the space to their own advantage and reclaim thought leadership by moving on from reactionist policies. There have been several organisations, particularly in the wake of Brexit, that have created their own mandate, taken on leadership roles for the communities they want to represent and successfully inserted themselves into negotiations. While lobbying is certainly no new phenomenon, the speed of access to institutional bodies has been accelerated through these new platforms and enabled civil society lobbying to take on a new significance than it did thirty years ago, as well as to accelerate the interplay between public bodies and non-traditional actors overall. However, it is now important for political bodies to get ahead of the trend, rather than being overwhelmed by it.

A German participant presented the negative side of the acceleration of the influence of non-traditional actors, which can also present a problem for the political system, especially so if they are self-authorised and non-elected. A large part of the protests around populism had also turned against the elite and often times, these non-traditional political actors are used by elites to project power. Political parties, which previously made up the cornerstones of the political system, have been weakened and party identifications have accordingly shrunk dramatically. The participant noted that parties are still an important factor for structuring allegiances in society and provide a mechanism for dialogue between government and those who are governed. If this mechanism is weakened, it means that governing becomes more difficult at a time where societies are facing tremendous problems, especially since parties are thus less inclined to deal with long-term problems as they are focussing on the short-term issues in order to succeed in the next elections. One participant went as far as to question whether the only effective political parties of the future would be those pushing single issues on their manifesto, as it may be the only way to gather a majority. Meanwhile another participant suggested a general re-think of the self-perception of parties, which should think of themselves less as membership organisations and more as a network of people with similar values.

As pointed out by a German participant in Berlin, if the shaping of policy was left to only those who were elected, solutions would never be found. There is a need to recognise the civil society factor in politics instead of rejecting the notion of non-state actors, as is the case with politicians who cling to the concept of the state as the sole agent in political affairs. Civil society institutions are where communities are made, which makes them more trusted and more popular. When facing change and addressing challenges, they need to be taken into account for a more comprehensive approach. At a later point in the day, it was pointed out that the pandemic had helped reinject trust in government institutions by being more transparent, with approval ratings at a high, as the good management of the crisis had helped the public see the management processes of the state and understand why they matter.

Speaking to populism, one participant pointed out that the pandemic had demystified it by showing that the countries with the highest death tolls had populist governments behind them. Populism being made up of four elements, the common enemy, being driven by emotions rather than evidence, as well as control over the media and the judiciary, has proven to be an ineffective approach for crises such as the pandemic. In a way, the pandemic has made politics less divisive as the common enemy had become the virus.

The session was closed on the note that information and facts needed to be respected, even if the unwelcome truths had to be voiced by politicians that feared for their re-election. A topic that was skirted in the discussion until it was named at the very end was that of identity politics and specifically what these changes meant for dual citizens. It was proposed to delve deeper into the topic at next year's Königswinter Conference.

Closing of the 70th Königswinter Conference by the Rt Hon Greg Hands MP and Dr Norbert Röttgen, MdB

Moderator Nik Gowing opened the final session of the 70th Königswinter Conference by thanking the organisers, who had done a tremendous job despite the many challenges of virtual conferencing and social distancing. A special thanks went to Chatham House for hosting the London event.

The Right Honourable MP Greg Hands started the discussion by saying that the issue of Brexit had dominated the discourse and thus covered up the problems in the UK-German bilateral relationship, which was drifting apart. He spoke of this change as an asymmetrical one, as the British people were losing their engagement with Germany, evidenced by the decline in German language learning. Where 20% of British children learned German up until GCSE level in the early 1980s, only 2,800 students chose the subject for their A-Levels today. Furthermore, there were three times as many German expats living in the UK as there were British emigrants in Germany. However, he stated, there should be no fear

over the future relationship, as there was more that united the two countries than it divided. Together the UK and Germany were needed to shape today's Zeitgeist.

Dr Norbert Röttgen, MdB questioned whether there was a common consensus on what the current Zeitgeist represented and what decisions its assessment required. He noted the difference between the clear-cut situation of 70 years ago, which faced the cold war and could count on American leadership and today's situation and the new era we had found ourselves in, where a new era post-Cold War is yet to emerge while the old order is unravelling. New geopolitical circumstances have to be adapted to and this bears with it fundamental requirements for Germany to redefine how to keep Europe together and to transform the European project to an external actor that pursues its interests. Practically, this means changing views vis a vis geostrategic challengers, including China and Russia. Ultimately, Europe found itself at a crossroads and needed to be realistic – whereas Brexit had been part of the disruption, the UK and Germany had embarked on different paths while shaping their new roles and Germany remained convinced that the more united Europe stood, the stronger it would be. Given shared goals and principles, threat perception and risk assessment between the two countries, the question remained when cooperation should be sought out. This included Germany fundamentally changing its mentality around its level of international engagement. This would take a big effort in leadership to assume responsibility that has previously been left untouched.

One participant called for more honesty in the discourse surrounding the relationship between the UK and Germany, stating that there was a danger of glossing over differences in an effort to uphold a spirit of friendship and harmony, ultimately not spelling out what a future partnership should look like. Speaking of the challenges of bilateral coordination, one participant suggested the replication of ministerial and sectoral areas of coordination and cooperation rather than a big political structure that would simply appear nice politically. This would enable investment by both parties given that the two nations would be working towards different regulations after Brexit. A German participant pointed to another obstacle regarding international cooperation outside of the EU – stating that coalitions of the willing might take place outside of NATO and the EU (given Euroscepticism by the British and NATO-scepticism by the French), leading to a situation whereby Germany might be asked to intervene militarily without a framework of collective security and without an international organisation, something which Germany may not be able to do without rethinking its rules of engagement, unless the country in question agreed. In the interest of closer cooperation, it was suggested to hold a governmental dialogue in addition to the yearly Königswinter Conference, to allow closer cooperation. In addition to that, closer cultural contacts in the form of youth exchanges and elevated roles of the Goethe Institut and the British Council were called on.

Sir Michael Arthur closed the conference by reminding the participants of the purpose of Königswinter, which was to talk about current issues. He stated that this year had held two ambitions – to not miss out on the conference due to the pandemic and to see Königswinter holding a role in the post-Brexit era, both of which had been achieved. A growing need for the conference to be held had been illustrated and perhaps a bigger focus on solutions should be adapted for next year's iteration. Sir Michael thanked the sponsors and Chatham House.