



NATO Parliamentary Assembly

TRANSATLANTIC PARLIAMENTARY
FORUM

REPORT

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1. As US President Donald J. Trump approached the end of his first year in office, members of the NATO Parliamentary Assembly gathered in Washington, D.C. for the 17th Transatlantic Parliamentary Forum from 11 to 13 December 2017.
2. The members of the Assembly, current and former US officials as well as independent experts engaged in extensive discussions on the following topics:
 - US grand strategy
 - developments in Russian international and domestic policies
 - the United States and the way forward for the Alliance
 - developments in the Middle East
 - China and the world
 - the challenge of North Korea
 - US trade policies
 - US energy and environmental policies
 - the digital revolution, social media and politics
3. The meetings were organised together with the National Defense University and the Atlantic Council of the United States. They were conducted under the Chatham House Rule. This document accordingly highlights the key themes of the discussions without attribution.

I. US GRAND STRATEGY IN A CHANGING WORLD

4. The 2017 Forum took place as the US government was preparing to release a new National Security Strategy for the first time in nearly ten years. The question of how US grand strategy might be changing was thus a key topic.
5. The United States remains firmly anchored in the liberal international order. This order took shape after World War II under US leadership and has guaranteed the longest period of general peace since Roman times. Today, however, the liberal international order is under pressure from several directions.
6. Firstly, China and Russia had become revisionist states, many participants agreed. In different ways, both seek to shift the balance of power through the build-up of military capabilities and by attempting to establish spheres of interest in their respective neighbourhoods. Harking back to US diplomat and historian George Kennan, one discussant argued that a key US goal should be to preserve favourable balances of power, especially in the industrialised regions of the world, in order to remain free from the domination of outside powers. The comparative advantage of the United States was its network of like-minded allies across the world, who share common values such as the rule of law, democracy and human rights. As will become clear below, the Transatlantic Alliance takes a special place in this regard.
7. Secondly, China, Russia and others – states as well as non-state actors – were also seeking to undermine the intellectual foundations of the liberal international order, many participants agreed. Indeed, questions were raised as to whether the political base in favour of the free world order was fraying, due to rising populist movements across the Alliance and beyond. One discussant even asked whether a second, incompatible, strand in US foreign policy could emerge victorious in the US administration: a unilateralist nationalism (sometimes called isolationism). This vision has not been dominant since World War II, but some of its central themes sometimes emerge from the Trump administration.

8. Thirdly, one speaker argued that three slow-moving trends could change or precipitate the fall of the current international order. First, growing regional fragmentation could undermine global institutions. Second, global institutions could start to stagnate if the United States were to step away from its leadership role and no other major state were interested in upholding them. Third, global governance used to be the stage for international organisations, but new formats of governance – subnational and supra-regional formats for example – were now competing with international organisations.

II. DEVELOPMENTS IN RUSSIAN INTERNATIONAL AND DOMESTIC POLICIES

9. More than a quarter century after the Cold War ended, Russia feels alienated from the international order. It seeks to exert its influence and shape its neighbouring regions, in particular in the post-Soviet space and the Western Balkans. One speaker argued that President Putin had decided that the Helsinki principles that Russia had signed up to in 1975 were no longer in the country's interests. Instead, the logic of spheres of influence had returned.

10. Russia seemed bent on dividing Europe and the United States as well as undermining NATO and the European Union, many participants agreed. Russia's illegal annexation of Crimea and its continued military aggression in Eastern Ukraine remain a fundamental challenge to the European security order. Moscow continues to violate the Intermediate-Range Nuclear Forces (INF) Treaty and has not even acknowledged the existence of the weapon system in question (the SSC-8). Indeed, Russia also has compliance issues with other crucial arms control and confidence-building measures. Moreover, Moscow has a tendency to "weaponise" energy supplies. At the same time, it seeks to undermine confidence in democracy by exploiting societal fault lines and crises, such as mass migration and the terrorist threat. All of these examples were not the behaviour of a responsible European state, members heard.

11. One of the key factors in Russia's current foreign policy was domestic political order, one speaker argued, because President Putin worries about stability. The regime wants to prevent any kind of "colour revolution". By fostering a siege mentality and employing the narcotic of nationalism, the Putin administration distracts from the country's stagnation.

12. Overall, speakers were sceptical that Russia's internal situation would change anytime soon, even though it is facing difficulties, including economic ones. For example, President Putin saw himself forced to renationalise companies as control was key for him, one speaker argued. While the economy has been under stress, one should not underestimate Russia. The economy, based on commodities, is very resilient, and officials in the finance ministry as well as central bankers are very good and have not changed for decades. In 2016, for instance, the finance ministry experienced a fiscal windfall.

III. THE UNITED STATES AND THE WAY FORWARD FOR THE ALLIANCE

13. The Alliance is at an inflection point, as it faces internal challenges on both sides of the Atlantic and external challenges from the east, south and north. The NATO Summit in the summer of 2018 should supply political direction to the Alliance. A seriousness of purpose within the Alliance is needed. Members need to bolster solidarity and guard against the threat of disunity.

A. US COMMITMENT TO THE ALLIANCE

14. The United States cannot face any foreign policy challenge alone, and European allies and partners are instrumental in overcoming such challenges. NATO remains the bedrock of US security. The US commitment to Europe was strong and the necessary resources would be allocated, the

members heard. The security of Europe was crucial: there could be no prosperity or security for the United States without a stable Europe. The commitment to NATO's Article 5 was therefore ironclad.

15. Under the recently renamed European Deterrence Initiative, the US administration requested an additional USD 4.8 billion for Fiscal Year 2018. The European Deterrence Initiative means enhanced deterrence through improved ground force posture, joint capabilities and activities, US Army equipment stockpiles in Europe, joint equities, increases in rotational presence, more capabilities for US Air Force operations, as well as joint enablers, training and exercises. The Pentagon will continue to further this initiative with a credible forward presence, more training, infrastructure, repositioning, and partner capacity building.

B. BURDEN SHARING

16. The United States will not waiver in its commitment, but the responsibility for the North Atlantic area is shared. Indeed, NATO's Article 3 underlines the responsibility to carry a fair burden in defence of the Alliance. The political climate in the United States was such that its people could not carry unacceptable burdens anymore, one discussant argued. US politicians must explain to their fellow citizens why the defence of Europe is worth the high price tag it carries and why – if it ever came to that – their sons and daughters should be placed in harm's way. Europeans could not expect the United States to care more about their security than they did themselves, US interlocutors underlined.

17. Debates about burden sharing can be extremely intense and acrimonious. However, US interlocutors argued that such debates were also very necessary. Allies had to be honest, candid and realistic with each other. Burden sharing was nothing else than taking responsibility for security. One interlocutor praised the Assembly for putting burden sharing firmly on the table.

18. Allies had to live up to the Wales Defence Investment Pledge in particular, with its targets of 2% of GDP allocated to defence expenditures and 20% of defence expenditures allocated to major defence investments, participants heard. These targets were crucial but Allies also needed to allocate this money to real capabilities. In the end, Allies also needed to ensure that defence spending increases addressed the key capability gaps of the Alliance as a whole.

19. Defence spending trends in Europe were broadly positive, but so far, most of the increase in defence spending came from countries that are closer to Russia, one speaker argued and called upon some of the larger European Allies to do more. Another saw a window of opportunity in these countries, but one that would not stay open for an indefinite time. Also, 12 Allies have not yet put forward any plans on how they intend to meet the Wales Defence Investment Pledge.

C. RUSSIA'S CHALLENGE

20. The ongoing Russian challenge in Europe remained a constant point of discussion throughout the 2017 Forum. Despite the challenge, NATO members continue to try to have a functional relationship with Russia, while also ensuring credible deterrence. Dialogue and deterrence go hand in hand, participants agreed.

21. US interlocutors argued that existing channels for dialogue and risk reduction with Russia were adequate and new ones were not needed. Meetings without substance should be avoided. Ukraine had to remain on the agenda at every meeting.

22. For real change in the dialogue and relationship with Russia, changes in its behaviour were a precondition, participants argued. There could be no business as usual if Russia continued on its current path regarding the Alliance. Russia had to take steps in the right direction. Until Russia changed its behaviour in Ukraine, NATO should not go back to the *status quo ante*, some discussants argued. Honouring arms control agreements and confidence-building measures,

constructive steps in Syria as well as increased pressure on North Korea, *inter alia*, were also needed.

23. Russia continues to increase its conventional and nuclear military capabilities as well as its ability to challenge member states through hybrid tactics.

24. Allied forward presence demonstrates Allied solidarity and sends a clear message to Russia not to test the Alliance. NATO and member state assets in the region would only come into action if Russia crossed into NATO territory. They are thus serving a deterrence function.

25. Sanctions should be maintained and adapted when circumstances change. While one speaker worried about 'sanctions fatigue', he was impressed with European solidarity and unity on this matter so far.

26. The Russian military is creating an environment where it would be hard for NATO to prevail. While the conventional military picture was disconcerting, the Russian nuclear weapons arsenal and accompanying doctrine were most concerning, one speaker pointed out, in particular the concept of escalating with nuclear weapons to 'deescalate' conflict.

27. Going forward, Allies must reinvest into NATO capabilities, including the NATO Response Force, logistics, and transportation. In the 2000s, NATO focused too much on the armed forces' expeditionary role, losing the capability to conduct a serious Article 5 operation, one speaker said. The rotational deployments in the east and similar actions in the south were welcome and indeed a major NATO achievement, especially because they stayed within the confines of the NATO-Russia Founding Act. Additional steps could be taken within the Act, but it should not be a barrier if more were needed. The Alliance must also:

- ensure quicker decision making within the Alliance – in national capitals and in NATO structures which included increased pre-delegation for SACEUR;
- increase readiness levels of armed forces; and
- enable the moving of forces across borders in a much quicker fashion, as bureaucratic, logistic, infrastructure and legal factors were causing unacceptable delays.

28. Russia's penchant for hybrid warfare was explored extensively during the Forum. NATO is behind on addressing the Russian hybrid threat – paramilitary organisations, cyber aggression, disinformation campaigns and the use of covert funding. While some Russian tactics are not especially new, changes in technology have made it possible to be much more effective and efficient.

29. On many hybrid threats, NATO would not be the first responder, but the Alliance ought to think these challenges through carefully. Information operations were a topic of great interest during the Forum. The Alliance needs to understand Russian information operations much better and must educate their citizens on disinformation campaigns. More active government cooperation with bodies seeking to expose disinformation campaigns should be considered, as well as other actions to counter botnets and fake news. The most outrageous fake stories in the Russian media should be debunked. Governments must work together with social media companies, while keeping free speech very much alive. Voluntary codes of conduct could be a way forward. Allies should also be more proactive in countering propaganda. NATO should not fight propaganda with propaganda, it should instead show positive stories. Strategic communication efforts are also necessary. Here, recent EU, NATO and US initiatives were important contributions. One should not shy away from media operations in Russian too, including more real news about Russian external challenges. In terms of Russian interference with elections and referenda, every Ally needs to protect itself, including through hardening cyber defences, delegates heard. US interlocutors praised reactions in the German and French elections in 2017, and recommended further study of these cases.

30. The Alliance should maintain robust support to partner nations under pressure from Russia. Supporting partner countries who feel at risk would signal that the Alliance is not willing to leave them behind. For example, the Western Balkans partner states suffered from a lack of attention. A common theme in the region is that officials from North America or the European Union do not visit the region very frequently; President Putin does. Furthermore, NATO should keep its door open to new member states. Russia should not have a veto over who becomes a member of the Alliance, as this decision must remain firmly with the member states.

31. Regarding the situation in Ukraine, any resolution that does not leave Ukrainian sovereignty intact was unacceptable, many argued. Russia's proposal of a UN mission in Ukraine could be acceptable, some argued. Several discussants supported the sale of lethal defensive weapons to Ukraine for self-defence.

D. NATO-EU

32. Participants also discussed the fact that the European Union was upgrading its defence policies. The EU had to do more on defence while avoiding duplication and the creation of new structures for their own sake. This was a key message from US interlocutors. Indeed, there have been some very good commitments by the EU on defence, one speaker argued. Military mobility was the single greatest thing that the EU could do to help the agility of the Alliance and the EU, a speaker said. The United States tended to be very pragmatic on EU defence discussions, as they would not resist anything that would lead to more capabilities. Many members argued that recent EU and NATO initiatives were complementary. The US administration supports such complementarity. However, there should not be a second competing capability gap analysis by the EU. Improved NATO-EU cooperation on a range of issues should be encouraged. Some participants argued that formal joint exercises could be a good next step.

E. NATO'S ROLE IN THE SOUTH

33. In light of the challenges on NATO's southern flank, its role in the Middle East was underdeveloped, many participants agreed. The Alliance was working on a range of initiatives, including an action plan on counterterrorism; support to the international coalition against Daesh; and the establishment of a new intelligence coordination cell and other structures for intelligence coordination.

34. Partners in the south should be supported in their own security and in their efforts to suppress terrorist groups. For example, it was pointed out, there was likely to be a role for NATO in training security forces, improving logistics capabilities and assisting in strengthening intelligence and counterterrorism services. Moreover, support for Afghanistan's quest for stability, including through the necessary contributions to the Resolute Support Mission, was crucial.

IV. DEVELOPMENTS IN THE MIDDLE EAST

A. THE FIGHT AGAINST DAESH

35. The fight against Daesh continues unabated. While Daesh is physically cornered, the international community must be ready for the next stage in the group's evolution. Delegates and speakers had a chance to discuss this common struggle in depth.

36. The unique difference between Daesh and other terrorist organisations is that, until recently, it possessed a quasi-state in the Middle East. At its highest point, almost 40,000 supporters had poured into Syria. Many followers had even brought their families along. Today, Daesh has lost 99% of the territory it controlled at the height of its power and 7.7 million people have been freed from its grasp. In Iraq, 2.7 million people have returned to their homes.

37. The unity of the anti-Daesh coalition under US leadership has been critical. In Iraq, over two dozen countries came together, and in Syria, 70 Coalition partners worked together. Even before the Alliance itself joined in 2017, all NATO member states had already been part of the Coalition.

38. The military campaign has been a key factor in changing the tide. The Coalition had learnt from recent counter-insurgency operations, delegates heard. In particular, the low casualty rate for Coalition members makes the current military operations more sustainable.

39. In addition to the military campaign, the United States and its Coalition partners are pursuing four other lines of effort. First, humanitarian response and stabilisation efforts have been left mainly to international organisations such as the International Monetary Fund and the World Bank. These efforts are, of course, much more difficult to carry out in Syria than in Iraq. Thus, the United States and others are working with local structures.

40. Second, the United States and its partners are aiming to stop the flow of foreign fighters into and out of Syria. Turkey has been instrumental in this effort by closing its borders and through intelligence cooperation. An Interpol database with over 20,000 entries is a crucial part as well. It is important that Allies continue to exchange best practices on confronting returning foreign fighters.

41. Third, counter-finance operations have been very successful as well. Daesh is no longer as wealthy as it was in 2014 thanks to this effort.

42. Fourth, counter-messaging and ideology are crucial too. In 2014, Daesh was almost unchallenged on social media. Private companies played the biggest role in turning this situation around. However, the United Arab Emirates, Malaysia and others have also achieved success in countering Daesh's message. The international community must nonetheless remain vigilant, as the group's message changes to one of nostalgia for 'the golden days'.

B. THE SITUATION IN SYRIA

43. In Syria, Assad's war on civilians and the ensuing tremendous humanitarian catastrophe continues. Daesh is still present in the country. The war has led to a politically destabilising migration crisis, and Iran and Russia interfere in the political and security situation. Indeed, a moribund Syrian state appears to be falling into the hands of Iran.

44. To find a potential political resolution, the current US administration followed a similar course to the Obama administration, it was argued: the United States continued to condemn the Assad regime and pushed for a political transition through UN peace talks. A central challenge, however, was that a regime like Assad's was unwilling to share or yield power, believing that it would then run the risk of losing power in the future.

45. While President Trump has spoken out against nation-building, one speaker suspected that he was learning that a long-term presence would be needed. If Syria was left to the Assad regime, it would present an opening for radicalism and/or Iran, many participants argued. Indeed, the United States appears in no hurry to remove military advisers and forces from Syria. A key question is what will happen to the territory east of the Euphrates, which is now an informal buffer or deconfliction line between the United States and forces loyal to the regime.

46. The Trump administration also seems to be learning that Russia is not 'playing nice' in Syria. President Putin appears to be comfortable with a future where Iran exerts a large degree of influence on the Assad regime, as that would mean that he has beaten the United States. Russia has to deal with competing pressures. On the one hand, it wants to avoid a quagmire and has, on multiple occasions, announced a (partial) withdrawal of its personnel in Syria. On the other hand, it is eager to achieve its goals, including full control of the whole country by the Assad regime. An open question

is whether Russia really would like to see the United States depart from Syria, as it publicly demands. This would again create a security vacuum, one discussant argued.

47. US support to and cooperation with certain Kurdish groups in Syria caused intense discussions among forum participants. The United States works with these groups to stop the flow of Daesh members into and out of Syria, but also in the context of the military campaign against Daesh. This arrangement is very much opposed by Turkey. The US administration understood Turkey's concerns and continued to work with Turkey to resolve the issue, one speaker underlined. Another speaker found it unfortunate that the United States had "backed into" the current relationship with Kurdish forces during the siege of Kobane in 2014.

C. THE SITUATION IN IRAQ

48. The political and security situation in Iraq is much better than in Syria. One speaker noted that a real sense of nationalism had taken hold. However, there is a need to build a civil state. One worry weighing on many participants' minds was Iran's influence. Iran sees its influence in Iraq (as well as Syria) as essential in order to preserve Hezbollah in Lebanon. Participants therefore discussed the increasing importance of neutralising Iran's political penetration and blocking the land bridge to Hezbollah.

49. A range of policy recommendations was put forth to keep the positive momentum alive in Iraq. The international community should:

- commit to a long-term engagement in Iraq;
- help improve government performance, especially on corruption and in state institutions, including the security sector;
- help strengthen Iraq's economy;
- maintain a military presence in the country; and
- work with Baghdad and Erbil to resolve their issues.

50. The sense of a number of speakers was that the Trump administration was moving in the direction of these recommendations.

51. An open question concerns the direction the relations between the Kurdish region and the central government will take after the recent referendum on statehood. Before the referendum, the US administration made it clear to its interlocutors that the Kurdish region inside Iraq had never been in a better situation and offered the Kurds a road map to resolve, with the help of the UN, the remaining issues with the central government. Most Kurdish leaders accepted this, but President Massoud Barzani did not. The US goal remains the same as before the referendum: a united federal Iraq, with the rights of the Kurdish region guaranteed.

D. ARAB-ISRAELI PEACE PROCESS

52. Regarding the Arab-Israeli peace process, President Trump has been very explicit that he sees an agreement as "the ultimate deal", giving the task to his son-in-law Jared Kushner and his former business associate Jason Greenblatt. The negotiators appear to have a great deal of leeway as they try to build on an apparent, but tacit and unacknowledged, alignment between Israel, Saudi Arabia, the United Arab Emirates and other Arab states, which see Iran as the biggest regional security threat. The question is, however, whether these contacts and interests can be translated into a new currency in the peace process. Mr Kushner and Mr Greenblatt have achieved what previous teams were never able to do: maintain radio silence. However, a speaker wondered whether this was to protect information or whether there was no actual progress.

53. According to one speaker, a realistic overall goal in a final agreement between the Israeli and Palestinian sides should be a transactional end of conflict where all outstanding issues would be

resolved. He argued, however, that three crucial factors required for such an agreement were currently not in place: leaders who were masters in their own political houses; a degree of ownership by the Israelis and Palestinians; and an effective outside mediator. The world could thus stay trapped in the status quo for a long time.

54. The Forum took place right after the Trump administration's decision to recognise Jerusalem as Israel's capital, which altered seven decades of White House policy. Many participants criticised the decision. It was pointed out, however, that President Trump was complying with Congressional will on the decision. In 1995, the US congress passed the Jerusalem Embassy Act recognising Jerusalem as Israel's capital. The bill contained a clause under which the President could waive implementation of the decision for national security reasons – a decision which must and had indeed been taken by Presidents every six months. President Trump had now merely announced his intention to begin the process of moving the embassy by not waiving the clause, US interlocutors argued.

55. The Trump administration argues that nothing has changed in the US position on the final status of Jerusalem or in the general US position on the Arab-Israeli peace process. However, the remarks delivered by the President could be understood in a way that called into question whether the Palestinians could designate East Jerusalem as their capital of a future state as well as whether the United States could stand as an effective mediator, especially in the absence of a reference to the two-state solution. One speaker argued that this was mostly a political decision that had been taken to please the President's domestic support base.

V. CHINA AND THE WORLD

56. The world has been witness to the meteoric rise of China, especially in the economic sphere. China today is an economic juggernaut, although its GDP remains about USD 64 trillion dollars behind the United States. One participant cautioned that, while there were some good signs in China's economy, it might already be stagnating. There are two important economic problems: China's debt amounts to 300% of GDP and its banks hold a substantial amount of uncollateralised debt. China's economists are trying to steer the country towards a more sustainable economy by, inter alia, de-emphasising foreign investment and infrastructure spending in favour of very ambitious initiatives on domestic consumption and innovation.

57. Internally, power is now consolidated in President Xi Jinping's hands. President Xi's anti-corruption drive was partially designed to purge his opponents. The political system has thus returned to a patriarchal/patrimonial system, which the Chinese elite had dismantled in the decades since Chairman Mao Zedong's death. As a result, a culture of fear has spread in China's political system, as one expert argued. It is once again as repressive as in the early 1990s.

58. Chinese foreign policy was in a good state, one speaker judged. Except for North Korea, every country has good, although sometimes stressed, relations with China. Even if this is more appearance than reality, many now see China as a global leader. For example, in recent years, China has scored leadership points on climate change and free trade. One discussant saw this as a positive sign. At the end of the day, the Euro-Atlantic community would like to see China participate in the global order, and China itself does not have an inherently anti-Western agenda. At the EU level and with its "16+1 relationship" with countries in Central and Eastern Europe, China is also making inroads in this continent. China-Russia relations are currently at a high. This relationship is very asymmetrical in China's favour, one expert argued.

59. In Southeast Asia, especially with members of the Association of Southeast Asian Nations (ASEAN), there has been a collective shift towards China. One discussant argued that a "Chinese shadow" now lay over Southeast Asia. Previously, ASEAN countries assumed a hedging position vis-à-vis China. However, most of them have now taken much more positive positions towards the

country. One example can be found in the South China Sea, where, one participant argued, China had ignored the rules (and indeed an international ruling) and 'gotten away with it'. Some countries were now looking to negotiate bilateral agreements with China on this issue. For discussants, it was unclear whether the shift in Southeast Asia had more to do with the Obama and Trump administrations' approaches to the region or with Chinese investments. One discussant called President Trump's withdrawal from the Trans-Pacific Partnership a most damaging move which had shattered US credibility in Asia. However, all was not lost, he said, as economics remained a tool and the administration could correct the mistake through bilateral trade agreements.

60. The One Belt, One Road (OBOR) initiative is another tool the Chinese are using to increase their influence in Eurasia. In terms of planned expenditures, it is much larger than the Marshall Plan. Certain questions remain, however: how sustainable is the investment; will China really deliver; and how much of the local economy will be controlled by China if the initiative succeeds in its goals? If the OBOR initiative succeeded, it would be disconcerting for the United States and its allies – not only economically and politically, but also geostrategically. With access in Sri Lanka, Pakistan and Djibouti the so-called 'String of Pearls' military strategy could become a reality, challenging sea lanes in the Indian Ocean and the South China Sea.

61. On both sides of the Atlantic, Chinese economic and political influence has come under scrutiny. Participants therefore discussed how to deal with undue influence attempts, which come in a number of forms, through economics, media operations, universities, and NGOs, for example. China's influence through soft power is still weak, however. Despite efforts to rectify this situation, its image in the population remains mixed at best. Moreover, the attractiveness of its political and economic model is likely of little interest to other countries.

62. Since the 1990s, China has invested heavily in its defence sector and continues to substantially increase its defence budgets every year. Its main military ambition had been to dominate the Taiwan Strait and ensure China's territorial defence. In the 1990s, there was little China could do to threaten US naval assets in the Taiwan Strait and beyond.

63. Today, however, China's military strategy has become much more ambitious. Still, China has very little strategic depth beyond its coast. Thus, an essential goal is to seek greater strategic space by pushing the United States away from its shores through a sustained military build-up. China is pursuing the military capabilities necessary to win a war over Taiwan if it were to happen. It also wants to break out of the 'First Island Chain', stretching from the Kuril Islands to the Malay Peninsula. China's military has therefore built up its blue-water navy and ballistic missile forces and is now capable of large scale combined fire. It could also potentially block entry to the Taiwan Straits, including through an Anti-Access/Area-Denial strategy. China has carefully studied US capabilities and ways of war to counter it.

64. A Sino-US arms competition seems likely and might already be underway, one speaker argued. As the United States is adapting to China's new posture, including by taking advantage of Chinese weaknesses, another discussant argued that it remains to be seen whether the United States can operate in an environment contested by the Chinese. While the Trump administration is aiming for a big military build-up, it was questioned by another discussant whether the military budget is large enough to deal with the Chinese challenge, especially when considering that Congressional budget caps are still in place.

65. In tackling the Chinese military challenge, Allies were crucial for the US administration, participants heard. In particular, South Korea, Japan, Singapore, Australia, India and Taiwan should be key partners. However, NATO Allies could and should help, some discussants argued.

VI. THE CHALLENGE OF NORTH KOREA

66. The challenge of tackling North Korea's developing nuclear arsenal has the United States' attention at the highest level. After 25 years without any real progress, the situation was no longer acceptable, one speaker told delegates. There had to be a change in dynamic, he argued.

67. North Korean leadership has made a breath-taking commitment to nuclear weapons and ballistic missiles. No other state in history has pursued such a breakneck programme. Since President Trump's inauguration, the pace of development has sped up once more. Seasoned experts are surprised not only by the speed of developments, but also by the breadth of the programme. Their recent successes do not mean, however, that they have reached operational capability of nuclear-tipped ballistic missiles.

68. While North Korea is often described as an irrational regime, it can be very transparent in its goals. This is the case in its pursuit of nuclear weapons. The country's nuclear logic is one of validation and legitimation. From the regime's perspective, if North Korea had nuclear weapons, the United States would have no choice but to accept it as a legitimate nuclear weapons state. This would achieve equivalence and ensure the elite's survival and wellbeing over the long term. North Korea could thus insulate itself against pressure from anyone, including China. It has been a long-standing goal to keep all foreign actors out of the country – not just the United States. Ever since the Chinese withdrew their forces and civilians in 1958, there has not been a single foreign actor with a sustained and meaningful presence in the country. The question is whether the North Korean regime could ever imagine a relationship with the outside world that would be less adversarial.

69. International sanctions should be maintained or even increased, discussants argued. The new multilateral sanctions were encouraging, speakers posited, especially because of Chinese participation. For the first time, sanctions are inhibiting North Korea's ability to earn foreign currency through China. China is no longer buying coal and crustaceans – vital life lines for the North Korean regime. Important restrictions were also placed on workers abroad. Maritime interdiction might be the next big step, but access to the international community and banking is the key to further constrict the resources of the elite. The elite is very loyal, but this would compel them to make choices, one expert thought.

70. The role and influence of China in North Korea was extensively discussed. Participants disagreed as to whether China was too cautious and lacked the interest to exert more influence over Pyongyang or whether the international community only saw real movement coming from China due to pressure from President Trump. One reason why China has not gone further is likely that it fears the consequences along its long border if the North Korean regime were to come under further pressure. One discussant posited that China's leverage should not be overestimated. Indeed, the only major power that North Korea deals with, at the moment, is Russia, a situation in which Moscow sees a chance to come back into Asia.

71. Some participants argued that there was no strategic solution at this point, but that this challenge was a long-term problem. Nevertheless, several more immediate recommendations were made:

- The North Korea must be disabused of any expectation that there is a strategic reward for a successful nuclear programme.
- The international community must impose tough costs.
- The United States should undertake a much higher strategic commitment to South Korea and Japan.
- The United States should deny their belief that they have escalation advantages.
- The fundamental goal must remain war avoidance.
- If North Korea persists in its current course, the goal must remain containment and deterrence.

72. Some criticism of the current US position also emerged during the Forum:

- US goals could be considered very maximalist;
- the US administration lacked message coherence; and
- “loose talk about pre-emptive war” could risk global stability.

VII. US TRADE POLICIES

73. One of the Trump administration’s top priorities is to change US trade policies, believing today’s trade agreements do not work properly for the United States. It is thus closely scrutinising the existing trading regimes. The administration wants to renegotiate several multilateral trade agreements and cancel the ones it deems counterproductive. President Trump announced the withdrawal from the Transpacific Partnership (TPP) two days after his inauguration, instead looking to increase bilateral discussions. Renegotiations of the North American Free Trade Agreement (NAFTA) were progressing at a very accelerated pace, delegates heard. As regards the Transatlantic Trade and Investment Partnership (TTIP), the US administration and the EU have not pulled out of negotiations, but they have suspended them for the time being. If circumstances changed, one could envision both sides of the Atlantic picking up where they left off, a discussant argued. The US administration was also looking to reform the World Trade Organisation (WTO), in particular its dispute settlement system and appellate body.

74. The US administration is also looking at China’s trade policies, which it accuses, inter alia, of distorting the subsidies of its state-owned enterprises, product dumping and violations of WTO rules (or at least abusing loopholes). The US administration believes that it can find common ground with the EU on some of these issues.

75. With regard to the US-UK trade relationship, President Trump has noted his interest in deeper cooperation and a possible free trade agreement after Brexit. The US government is currently examining what it could do outside the EU at this point; how to sustain the agreements that the UK has by virtue of its EU membership; and how to be ready to negotiate a comprehensive free trade agreement once Brexit happens.

VIII. US ENERGY AND ENVIRONMENTAL POLICIES

76. Another topic discussed was the Trump administration’s energy and environmental policies, which are inextricably linked. As the United States has given its notice to withdraw from the Paris accord on climate change, it is seeking “energy dominance”, one interlocutor said. It is looking to capitalise on the strengths of US energy resources, in particular coal and natural gas. Some interlocutors argued that Russian energy geopolitics could be countered by this new US approach, including through increased exports of US liquified natural gas. Moreover, the states are having more of a say in energy policies, as the federal government is reducing energy and environmental regulations, participants learnt.

IX. THE DIGITAL REVOLUTION, SOCIAL MEDIA AND POLITICS

77. The Forum also included discussions of how the digital revolution was changing the media landscape and politics. Social media operates very differently from traditional journalism. Activists and journalists on the internet can now ‘narrowcast’ their news and views at lightning speed, helped by big data analytics. ‘Clickbait’ tactics, the promotion of sensationalist scandals and personality politics only tangentially related to governing now fill a lot of the political sphere. Moreover, false news and the ‘echo chamber’ effect, where users only check social media posts and articles that

align with their political views, could undermine politics. The traditional media, in their attempts to compete with social media, are beginning to use similar tactics and often fall for false stories. The use of 'botnets' to spread messages and false news or real news with snippets of false news is increasing, too. Participants thus discussed how to counter some of the malign effects of these new trends. Social media companies have to play a larger role in regulating themselves, and governments must decide if and how to regulate these issues.
