

Suzanne Schaefer: All right, let's go ahead and get started. Thank you guys all so much for joining this call. To any reporters on the line, thank you. I just want to remind everybody that this call is on the record and it's being recorded. I'll make sure to send around a transcript as soon as I have one. It usually takes about 24 hours or less. I would also like to remind everybody to please keep yourselves muted when you're not speaking so we can avoid background noise and make sure that we get a really solid recording. All right, so just to get things started, we have Tom Wright, Constanze Stelzenmueller, Giovanna de Maio, and Amanda Sloat on the line here to talk about the coronavirus situation in Europe. They're each going to give a few brief opening remarks and then we'll do Q/A for reporters. We're going to go ahead and kick things off with Tom Wright. Tom, whenever you're ready.

Thomas Wright: Great. Thanks so much and it's great to be talking with everyone. I'm just going to talk for about four or five minutes, and just make four points on the European reaction, particularly the EU level. Then Constanze, Amanda and Giovanna will talk about Germany, the UK and Italy in their remarks. The first point is really on the EU. The EU does not have public health in its competency. It's not a core competency of the Union. What we've seen basically so far is that almost all of the action in Europe is at the domestic national level. Countries are dealing with this on their own. There's very little focus on the EU level with one exception, which is unsurprisingly President Macron of France who asked for regular teleconference calls European Council level and put those on the agenda.

Thomas Wright: If it wasn't for that we'd be, I think, seeing very little action in terms of the public health sphere because they're all dealing with major national crises that they're trying to focus on. For them, I think the worry is partially the initial shock but also the duration. This is a very different crisis if it's four to six weeks, or four to six months, or six to 10 month trend. They're all sort of feeling that feeling very acutely. In terms of how they're dealing with it nationally, the foreign affairs ministries, one official told me, have been turned into giant consular operations so pretty much 90% of their effort is to try to get their citizens home from elsewhere in Europe. If you're a European, an EU citizen, you're entitled to health care, if you have insurance, in other EU countries. In practice that's not really manifesting itself and people want to get home to where they're from in case they get this or they have to hunker down. So there's actually discussion with other countries about right to transit to Germany for instance, which had its borders closed and that sort of blurred diplomatic action.

Thomas Wright: The second point is just on the export controls that have been getting a fair amount of attention. I think it's helpful to think about this in two areas. One, are the export controls by the EU as a whole preventing the export of key medical equipment to third party countries. That, I think, is going to have a negative effect on some of those third countries and it's also designed to create this

European face where what they produce can be used internally. The second is the acquisition of some of this medical equipment by individual countries. The German case got a fair bit of attention on that. That was described to me by one official as misinterpreted, that their effort was to try to prevent the private sector or private business from acquiring many of these assets and then [inaudible] them and selling them at a higher rate later on. Just the degree of nationalization, which is to have it in government hands as opposed to private sector hands, so I would think that's the interesting distinction.

Thomas Wright: The third point is just on the Eurozone. I think is going to be the big crisis in a couple of months or even before then because you have the public health part of this but the economic part is obviously enormous. Unemployment rates are rising very rapidly here and in Europe, and no country in Europe has the capacity to deal with this economic shock on their own with the possible exception of Germany. Right? Every other country basically is going to go bust unless they get European help. They're all going to blow through the different budgetary limits, the 3% limits that have been set down by the Euro zone. The big question is, can the Eurozone be adaptive? Some have called for Euro-bombs, a mutual debt instrument that Germany have resisted. Merkel made some positive signs about that but then rolled some of that back pretty quickly. Maybe Constanze will be able to talk about more of this, but I think that's the big fight.

Thomas Wright: Six, eight, twelve weeks down the road, will the Eurozone reform or be adaptive, or how will they deal with this? That decision, I think, will largely rest in German hands rather than the rest of Europe. Germany's the only country that has the surplus. What's interesting about that financial part of the crisis is, unlike Euro crisis, there's no east west divide, there's no north south divide. Everyone's in it together, and with the caveat that Germany's the only country that actually has a surplus to be able to deal with this sort of [inaudible]. The final point is just on the US. There was a lot of attention here on the Trump travel ban to Europe. My sense is that this was not particularly controversial in Europe, and if it was it's not very controversial now because everyone's been imposing pre-draconian travel restrictions and the story that Trump tried to acquire this vaccine company, I think, is more controversial and disturbing.

Thomas Wright: For the most part, this is not really a transatlantic or America story. They're not worried about what Trump is doing to the extent they think about the US. They think about the US bumbling its response and it's showing the limits of populism in terms of the approach to a major public health crisis. I'll leave it there and turn it over to the next person. Thank you.

Suzanne Schaefer: Thanks, Tom. Amanda, do you want to get started?

Amanda Sloat: Sure. I can just flag a couple of things. One thing that I had been looking at and have a blog piece coming out imminently on is the impact that coronavirus is having on elections across Europe. France [Correction: The speaker originally

mistakenly said Italy] and Germany did end up going ahead with local elections in France and regional elections in Bavaria. In France, it caused some controversy since the country had increased to a Stage Three level of response the day before the elections, whereas in Germany the more radical measures introduced by Merkel came the day after the Bavarian elections were being held. One interesting distinction is that France has decided to postpone the second round of local elections whereas the decision in Bavaria has been to hold the second round via postal ballots. Unclear why Germany's taking that route and France is deciding to delay. Other elections also being postponed in Spain and North Macedonia, in Serbia, in Northern Cyprus.

Amanda Sloat: The UK, interestingly, has been seen as a laggard in Europe in terms of its response to the crisis more generally, but was actually the first country to come out and decide to postpone local and mayoral elections in England. Those were expected to be held on May 7th, and actually last week on March 13th the government came out to announce that decision. Second, related to the UK, as I mentioned they have been seen somewhat as an outlier in Europe in terms of their response. I don't know how many of you have already written stories on this, focusing much more on this idea of herd immunity and a phased quarantine. What I've found interesting, anecdotally talking to people, is there initially seem to be a degree of sympathy for the government's approach.

Amanda Sloat: People were somewhat able to explain the rationale for it, but then frustration started to build and especially political pressure as the UK was seen to be behind other countries in Europe and we've now started to see a significant spread of the disease in the UK and the government adjusting its measures. I think the government always intended to impose some of those similar measures. They just had a slower and more phased approach in line with some of the behavioral science that they were relying on. One of the potential casualties for this in the UK seems to be the impact on Brexit. Michel Barnier came out earlier this week indicating that he has coronavirus and there's now reports that the British Brexit negotiator, David Frost, is also in self-isolation with the sense that he has coronavirus as well. One of the big questions then is, what ends up happening with negotiations and the transition period.

Amanda Sloat: Boris Johnson, of course, had been very reluctant to extend the transition period, even writing into legislation that that was not possible. There has been some indication of a softening of his approach in the last day or two, with him now citing the legislative restriction, which of course Parliament could easily amend, but not ruling out the possibility of it. The UK has until the end of June to request the extension to the transition period, and that would have to be for either a one or two year time frame. The last thing just to flag on the UK is that there continues to be variation within how the different nations and regions with the UK are responding to this. Scotland has been out in front in some areas in terms of being quicker to put restrictions on mass gatherings, and you also saw tensions arising in Northern Ireland for a period of time when the British

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and Irish governments were taking different approaches to responding to the crisis. I'll stop there.

Suzanne Schaefer: Okay. Thank you. Constanze, do you want to get started? Constanze, are you there? Giovanna, are you there?

Giovanna De Maio: Yes, I am.

Suzanne Schaefer: Why don't you go ahead and get started.

Giovanna De Maio: Sure, yeah. I was going to talk a little bit about the situation in Italy, on the political economic level and how this is going to impact international relations. As many of you know, Italy's death toll yesterday overtook China, and the situation is very tense. That's what I hear every day by talking to my family. Hotels are being converted into hospitals and there are some companies... For instance, they are trying to convert the production for having protective medical gear. There will be more restrictive measures probably announced on March 21st around mobility, with the possibility of employing the army to enforce them. On the political level, as some [inaudible] was seeing early on, this crisis has really exposed the limits of populism and in fact the Five Star Movement that is basically replacing the spectrum of left-wing populism has been proved to be setting aside all the European anti-EU grievances and has worked together with experts from the scientific community and healthcare system to tackle the crisis.

Giovanna De Maio: The government has been really transparent in its measures but there are also complaints about how long it took to actually implement the full lockdown. AS far as the nationalist positions, although in the beginning there were some uncertainty and some direct attacks against the government, now they're trying to be more cooperative but also more demanding towards the government in asking for more restrictive measures in order to try to stop this contagion that seems unstoppable because people, despite the lockdown, are still going out in the streets and taking advantage of taking their dog for some walks, and also going to the grocery store and staying out longer than necessary. On the economic side, the damage is just uncountable. Today, the newspaper reported a contraction in oil consumption of minus 10 percent. It's the lowest since 1953.

Giovanna De Maio: The government has issued 25 million euros of support to small and medium enterprises, to family, and of course to the health care system with the employment of nurses, doctors, and also calling back doctors who have retired in order to be able to help, especially in the red zone where the situation is extremely critical. On the economic side there is also one last point on the golden power use. In order to prepare for what comes after this big crisis, the government has said it's going to be using the so-called golden power, meaning that it can stop foreign direct investment in strategic sectors in order to prevent

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Italy's strategic sectors to be taken over by foreign companies. So there is protectionism measure announced to be implemented soon. Lastly, on international relations, Italy indeed has been turning to the EU for economic support and I think there has been huge load of understanding from the European Union perspective as far as quantitative easing announced by European Central Bank in order to support Italy but also the Eurozone.

Giovanna De Maio: On the other hand, I believe for what I've understood by talking with diplomats and other government officials, there is a very big uncertainty and disappointment vis a vis European Union and [inaudible 00:23:42] between member state. As someone was mentioning earlier, most embassies and diplomatic entities are trying to focus on bringing back people, repatriate people from abroad, and this is one of the priorities that the Ministry of Foreign Affairs announced yesterday. But of course, the number one priority is securing medical gear, protective medical gear, especially face masks. They will be coming this weekend from Turkey, Egypt, Germany, Brazil and China, and there will be around one hundred million masks coming from China next week. So it's at least turning to that, to cooperation with other non-European member states, but also scientific coordination with the United States on this level. Italy's trying to engage palliatively on this level without actually looking to [inaudible]. That's what I have for now.

Suzanne Schaefer: Constanze, take it away.

Constanze
Stelzenmüller: Can you hear me? Okay. Hi everyone. Thanks for joining us on this call. On Germany, you will have noticed that we have a national medical institute called the Robert Koch Institute, which has been playing a central role in the information policy about this crisis. According the RKI, as it's generally called, we are now at 11000 cases and nearly 30 deaths as confirmed by labs. John Hopkins comparative website has a much higher number because it uses different sources. It is probably useful going forward to use both those data sets if you're interested in doing the numbers. As for the policy responses, it will not have escaped your notice that Merkel gave a historic speech last week in which she appealed to German citizens sense of responsibility, said, "The best expression of care towards each other is keeping your distance." It was an usually warm and personal speech. She also said, "I have difficulty just ordering a curfew or lockdowns because of my personal experience as an East German fighting for freedom for so much of my youth." I think it's said that about 25 to 30 million Germans watched it.

Constanze
Stelzenmüller: Has it had any effect? Not based on the numbers of people who are still out in parks and playgrounds and apparently doing something called corona parties, which is apparently so that people will infect each other and get it over with. Not a wise course of action. It was also clear to everybody who saw that speech that it was a potential step for further escalation towards a national lockdown.

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In fact, the Bavarian government has already taken the steps. As you probably know, Bavaria is the state that's closest to Italy. A lot of Bavarians go to Italy on the skiing holidays, and it is the state with the highest number of cases and after a number of municipalities went on lockdown this week, the Minister President Markus Soder ordered a complete lockdown today. Other state Minister Presidents are expected to follow. The issues before the German government now are three.

Constanze
Stelzenmüller:

One is using economic stimulus and other tools at its command to prevent a mass joblessness, a crash of the German economy. As Tom said accurately, we should have the resources to do that. Still, it's a historic task and that is why the German Finance and Economics Minister this week spoke of pulling out the bazooka. The second big issue is medical supplies and making sure the medical system works. There, Germany is at the top of the list of European countries in terms of ICU beds at about 25 to 28000. It's still not clear that that will be enough at current infection rates. The numbers that I cited earlier show the Germans pretty precisely tracking the Italian development, so there will have to be emergency production in that sector as well. I think the medical services are expected to be overwhelmed as everywhere else. I think the third issue that might become one, we're not seeing it yet, is simply keeping public order.

Constanze
Stelzenmüller:

This will be a test of German social cohesion, and we will see how state authority responds to that. Meanwhile, many other things that were keeping me busy and I'm sure some of you, appear to be on hold. One is, of course, the political succession question in the CDU and the succession for Merkel herself. You will have heard that one of the three candidates to succeed her, Friedrich Merz, has tested positive for corona and is in isolation. The party meeting that was supposed to decide on the candidature in late April has been put on hold with no new date. The other question that's on hold, at least partially, is how to deal with the truly ghastly refugee crisis still playing out in the great camps. Tom referenced the fact that Europe right now is, as a community of solidarity, seems to be put more or less on hold.

Constanze
Stelzenmüller:

I agree with him completely that much of this will play out in managing the Eurozone crisis to come, but if we cannot manage the health crisis that we're all facing and the refugee crisis, I think we'll have a similarly damaging impact on European cohesion. Finally, one German topic is the ongoing battle between the establishment politics and the populist. It seems, it's been noted that the German far-right party, the AfD, appears to be floundering at this point and engaged in in-fighting, engaged in... basically, appears to be in a meltdown. I can't say that that wouldn't please me. I'll stop here.

Suzanne Schaefer:

Thank you, Constanze. Thank you to all four of you for your insight. We will go ahead and open it up to Q&A, so if there are any reporters on the line that want to ask a question, now's the time. Please just do introduce yourself and say what outlet you're from before you ask your question. Thank you.

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- George Condon: George Condon with The National Journal. In all the planning for pandemics, all the exercises and so on, there was always an assumption that there would be American leadership. Economic and medical. That doesn't seem to be playing out. What is the reaction in Europe to whether there's leadership being provided from Washington?
- Thomas Wright: It's Tom here. I can jump in first. I mean, I think, they're all so focused on the domestic elements that they're not really directly criticizing the lack of leadership, but I think it's acutely felt at the governmental level. There's just been really no leadership response from the US at all. A few weeks ago there was a ministerial leading of the G20 in Saudi Arabia. The US delegation, I'm told, was basically wanting to say that everything's fine because they didn't want to... They were [inaudible 00:32:53] with not being forthright to have faith in the top administration's approach. Then we didn't [inaudible 00:33:01] any effort at the G7 or G20 level. The G7 call, which I think was helpful, and the communique out of it which was rather pretty positive, that was Macron's idea. He suggested it and then suggested US hold the call as the chair of the G7 and so that was a good way of getting Trump's buy-in. I'm told that Trump was skeptical of that but I'm not sure that I have that totally confirmed.
- Thomas Wright: It came out relatively in the right place and the Senate is doing more now, as well. We're still seeing a huge difference between what's being provided and what's required because the economic side of this is really the big piece where you could have US leadership to try to have a coordinated [inaudible 00:33:49] measures to save the financial system if it becomes apparent as it may very well do over the next two or three months that there are various financial issues as a result of the massive economic slowdown.
- Suzanne Schaefer: Next question.
- Trudy Rubin: Hi, it's Trudy Rubin from The Philadelphia Inquirer. I'm wondering how the testing issue is playing out in Europe. Is there any country that seems to have a testing regimen remotely resembling South Korea's and is testing seen as key in Europe?
- Constanze Stelzenmüller: Absolutely. I think that all countries are scrambling to increase testing and to make it more broadly available, but that's also a function of the quality of medical services and the ability of public authorities, local and regional, to provide the infrastructure. I think it's true for many of us, including rich Germany, that we have disinvested. We've ruthlessly basically stripped out the fat from hospitals and public health services, turning them into lean profit machines, and I think we're paying the price for that now. So no, we're not at that point yet.

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Giovanna De Maio: Can I jump in on this?

Giovanna De Maio: Italy has been happily active in providing tests for everybody, but now what I hear from my friends who are doctors in the red zones, they are telling me that the tests are only available for those who actually experience breathing issues. They are deciding not to test so many people, because just a matter of shortage of actual test kits but also it takes time for the labs to actually analyze them, so there is a big shortage because some they were saying also of facilities and probably as in Germany, exactly in Germany, Italy has been disinvesting from the public sector, from the public healthcare sector, since 2008 with all [inaudible] measures and the [inaudible] that public sector experience. But also this crisis highlighted how important it is to have coordination and standards that are the same on the national level, because regions in Italy currently have some degree of autonomy in how to deal with public health.

Giovanna De Maio: This has created a lot of discrepancies in how this corona emergency has been actually dealt with. In the Venice region, that's actually a real [inaudible] example. In Venice they've been testing everybody and this has led to a more efficient isolation of those who did not show symptoms. This allows to throw down significantly the contagion.

Trudy Rubin: Wow. Just one further thing on China. China's now shipping aid to Europe and to Italy. At this point, how is the Chinese model regarded in Europe, especially since they're pushing the propaganda line that they can handle it better than others despite the beginning of the debacle in Wuhan. Are there comparisons being made with the United States?

Giovanna De Maio: I can start answering that. The narrative now it's, you're right, it's very much loaded with Chinese but also Russian propaganda and fake news coming through the internet. Now it's [inaudible], I think, a little bit in opposition to what's happening in France, I think, where people are talking about how the Chinese have been hiding the spread of the virus since the end of November. In Italy, now China is viewed at the savior because China has been sending doctors and sending face masks where this European members state have been adopting a more protectionist approach especially vis a vis medical equipment. There has been said in the news about Wuhan having completely stopped the contagion yesterday. I'm not fully... It's been reported by Italian officials saying that basically if China made it, Italy can do it too.

Giovanna De Maio: Italy is actually applying the China model in terms of restrictions and preventing people from moving around, although it's doing the Italian way so of course the infection is not yet comparable to Chinese level. Indeed, it's a trend worth watching for the next... especially as we proceed as not only the pandemic goes on but also the economic crisis impact Italy. It's definitely now the significant advantage around how China has been more helpful. As far as the United States, what I've heard mostly is some diplomatic team here, they're trying to engage

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the United States more especially on scientific coordination for trying to work on the vaccine, and especially Italy wants US to look at Italy as the first lab of Covid-19 Europe and so how we can put forces together and implement scientific cooperation best.

Constanze

Stelzenmüller:

May I jump in here? To answer Trudy's question as far as Germany is concerned?

Suzanne Schaefer:

Of course.

Constanze

Stelzenmüller:

I just pulled up a story in Der Spiegel, Trudy, that if you want I can also give you more details on offline. Basically, the German response is different from that in South Korea on testing. You can get tested only if you see a doctor and the doctor decides, based on the criteria developed by the Robert Koch Institute, that there is a medical indication of need for a test. In other words, you can't just march into a hospital, say I want to be tested because my throat is feeling scratchy. There have been apparently, says the association of doctors, more than 100,000 corona tests last week conducted in doctors offices. We have clearly been ramping up capacity. The Robert Koch Institute says that lab capacity is at 160K tests per week, and there are 47 labs in Germany that offer it and by now there are also so-called drive-in test centers. But it's still probably below the capacity of what is going to be necessary. Okay?

Amanda Sloat:

Hi. This is Amanda. Just on the China question, I'm going to promote a rival think-tank here. The Alliance for Securing Democracy at the German Marshall Fund has actually done some really interesting work on how China is promoting itself in Europe. Jessica Brandt had a Twitter thread yesterday that outlined this. They looked at almost 3000 tweets from China's diplomatic and state media and found that a lot of engagement was coming from Chinese embassies in France, Italy and Spain and all of them are highlighting assistance from China. So they're really trying to position themselves as a provider of public good. They're making a lot of the lack of US leadership on this, and they're also suggesting that the US leadership isn't just feckless, but it's actually xenophobic.

Thomas Wright:

This is Tom here just to weigh in, too. I think it's really hard to say exactly what the European reaction is because we don't have the time that's lapsed or the polls that say that there's public support for this or that they buy the Chinese line. They're putting this line that we don't really know has been received. I've tried to talk to a number of European officials over the last week, and I have to say they were all pretty realistic in terms of what China is up to. They knew what they were trying to do. They also were very aware of the line that China was pushing, that this virus actually came from the US originally [inaudible] outrageous, and they recognize that may have raised the stakes early on.

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Thomas Wright:

I think what we're seeing is a concerted Chinese effort to try to erase that past. We don't know whether or not it is successful or not. We have to data points. One is the Serbian president saying very positive things about China because of the export controls imposed by the EU, and then we have the Italian case as well as Giovanna outlined, where there was some welcoming of the masks and other supplies being imported into Italy from China. Apart from that, we don't really have, I think, a lot of evidence that the Chinese plan is working, and I think we won't really know for a couple of months. But it does underscore that the US should be, I think, providing more leadership and working more closely with its allies.

Constanze
Stelzenmüller:

Let me perhaps add on the question of US leadership since two of you have asked this. Certainly for my country, Germany, the German-American relationship on the official level was already pretty bad. German diplomacy has adapted to basically working around Trump. In other words, working with the rational elements of the NSC, the White House, the federal executives, and I think increasingly paying attention to relationships at the local level. There are a lot of German economic and indeed academic investments in America that don't need to be managed via the White House. That said, I suspect the CureVac story, the story about Trump attempting to buy proprietary rights over the vaccine developed in this lab in the German city of Tübingen, presumably at least from what I can see on social media, did a great deal of harm.

Constanze
Stelzenmüller:

It's notable that it was confirmed by the German health minister who is, if any member of the Merkel cabinet has attempted to stay on the good side of the Trump administration, it's the German health minister, Jens Spahn. That struck me as a notable blow to the German-American relationship but at this point, frankly, we're all in crisis management mode and this stuff is going to be a blip on the screen, and arguably already is.

Rachel Oswald:

I have a question. This is Rachel Oswald, reporter with CQ Roll Call. Along those lines of vaccines, anti-virals, what type of mechanism do you think there should be for coordinating how the international community will respond when a vaccine or anti-viral is ready? Will there be some kind of prepared, shared common guidelines that say we give it to the most vulnerable first, or we will subsidize the cost of vaccines, and would the body to come up with such guidelines be the U.N., the G20? What is the thinking on doing that now rather than once there's actually a vaccine ready and everybody wants it immediately?

Constanze
Stelzenmüller:

In normal times that would be the World Health Organization, the WHO.

Thomas Wright:

What I've heard, I've asked about this again to different officials, and what they say they would like to see is training, maybe coordinated action or through the UN to ensure that when the vaccine does emerge, that it can scaled quickly and

then dispersed to everyone irrespective of their wealth or position both within countries and around the world. I think getting that vaccine out will require a level of diplomatic coordination. An enormous level of diplomatic coordination. I think that the World Health Organization has a part to play in that although I would note this: I don't think that will be enough because there are different... US, I think, has a different attitude toward the WHO than some other countries do, and there are questions about China going to the WHO as well that date back to how it handled the early parts of this crisis, particularly at the leadership level.

Thomas Wright: I would say, just along the lines that Constanze said, most of those organizations you mentioned would have a role to play but it has to be spearheaded by the G20 countries to come up with a workable plan for everyone. What Trump was accused of doing in Germany, of course, is exactly opposite to that, to say that you can have more of a America First or Country First approach to the development of the vaccine.

Daniel Franklin: Daniel Franklin from The Economist. I wondered, perhaps this is one for Tom, whether so far the crisis has been revealing, in any senses for you, on European Union and what it shows about the European Union that may not have been apparent before. For example, it seems that when push comes to shove, [inaudible] ceases to exist almost, and in these circumstances, anyway, the instinctive answer is more country rather than more Europe which is usually the European formal response. What has it shown so far for you?

Thomas Wright: Yeah, it's Tom here. I can start on that. I think it shows that the state still really matters. Exactly on your question. It's more important at the moment what country people are from in Europe than that they are EU citizens because the response has been so national. Now I think while the EU has a real role to play even on the economic part of that, but that's going to require major changes in the forms in the Eurozone and I think that debate has yet to happen, really. In the height of a crisis people make certain conciliatory noises but there's a big question whether or not that will be sustained and go into real agreed positions on some of these limits on budgets and the like. I think it's going to be a huge test for the EU. The reason, though, we're seeing this more national response, of course to underscore, is that health has never been a key competency of the Union.

Thomas Wright: It's not that the EU is failing on this. This is not a monetary question or even a fiscal question where you could say that they were meant to deal with this. This is something that's basically outside of what the EU really deals with, so it's not really a surprise that it's more of a national response, but it's still very striking.

Constanze Stelzenmüller: Hello, Daniel. Just to come in to add to what Tom just said. The domestic policy and health has always been a national competence, and what this is, is a test of

the nation-state in Europe. Now I think that one of the myths that you hear in Washington particularly but also in London, is... They have this notion of the EU as a federalizing super-state. That never happened, and in fact if anything we've seen for the last 10, 15 years, a counter-movement. A restoration of the nation-state, into what some would have said is its proper state or its proper position. As the first responder and the leader of that movement, as Daniel I'm sure you know, was Angela Merkel with her famous Bruges speech.

Constanze
Stelzenmüller:

To me, the irony here is that the question that we need to ask ourselves is, are our nation-states truly capable of doing these things, particularly when the challenge that they're supposed to address is one that transcends borders with ease and where political coordination, if you have made a decision that this shouldn't be a competency EU, then this is a matter of political coordination between the nation-states and between capitals. Based on what I was reading this morning in Florian [inaudible] reports about recent [inaudible] meetings, apparently that's not going so well. I think the irony here might be that we end up saying, well, actually we're going to have to have some structures here that are a little more formal than just ambassadorial meetings because we're going to have to coordinate across borders, and that will have a direct impact on how other things that are EU competencies, like the economic situation, will progress in the very near future.

Suzanne Schaefer:

Okay. Thank you. We just have a few more minutes left for any final questions.

Dave Lawler:

Yes. This is Dave Lawler from Axios. Thanks everyone for doing the call. I have a question for Giovanna about the political situation in Italy. There's been some rumbling about the far-right potentially taking advantage of resentment toward Europe for a lack of solidarity towards the EU in particular, I guess, but also obviously we've all been writing about the instability of this government prior to this crisis. I'm just wondering, it's early days, but what the outlook at present is on all of that. Thanks.

Giovanna De Maio:

Thank you for your question. At the moment, as Amanda mentioned earlier, regional elections are now probably on hold. They're not going to be held in April. Usually regional elections have really proved that already and generally, when Italians voted in Emilia and [inaudible] in Calabria, that the league and the far-right was in general really strong and gaining momentum. Now with regional elections on hold, it's really hard to tell because I feel there is, in general, a sense between Italians of great support, probably in effect of rallying behind the flag of this [inaudible] deal of the crisis. Sardinia has been particularly active. Sardinia is the leader of the League. He's been particularly active. In the beginning, in the critique of the government and the European Union, still he posted a few tweets per day in which he criticized that European Union and the lack of solidarity on the masks on the medical equipment level.

Giovanna De Maio:

Now he has stopped and he has focused mostly on implementing further restrictions. You can see them more on the [inaudible] Italian spectrum. So my

stance is that for now, Italians are well behind Conte and support of the current government but it would be really the challenge of when the virus is gone, hopefully sooner than later, to see how the economy will be impacted and if all these measures are actually able to support and to protect families and small and medium enterprises that have been facing these huge crises.

Constanze
Stelzenmüller:

Yeah. Same for Germany, I think.

Trudy Rubin:

Can I get one more in?

Suzanne Schaefer:

Sure.

Trudy Rubin:

I'm just wondering even though it's early on and everyone is in the midst of the crisis, are there people in Europe, in a national or EU level, who are already doing projections for how long the economy or economies can sustain this shutdown without some kind of collapse?

Thomas Wright:

Yes. Tom here. I think the answer to that is they're working on that at the moment, but I don't think they've reached a view or even a consensus on how long they would have. I think the big thing that's really worrisome is, as I was saying earlier on, the duration. They are aware that this could go on for, on and off, for a year. If it's a W-shaped recession, it's a sphere and it bounces back to everyone and then goes down again, I think that's... Or an L-shaped recession. I think that's their worst-case scenario. I think they're trying to get through the initial peak and have a leveling off and then have some sort of... I think then you'll see the real economic diplomacy and most of this will occur at the Eurozone level because that's where the real constraints are. I don't think they'll be able to get through the summer without some major changes in terms of the Eurozone constraints.

Suzanne Schaefer:

All right. Are there any final questions? We can maybe squeeze in one more.

George Condon:

Yeah, actually this is George Condon again, if I could. You talked about the propaganda against the United States, the view on President Trump, the Chinese effort. Looking down the road, is there likely to be long term damage to the notion of the United States as the one you turn to, the leader of the alliance, or is this likely to be just transitory?

Thomas Wright:

I think it's partly wrapped up in Trump, in that they do have low expectation of him so it's not as if they expected him to have a major leadership role. I think if he is defeated in November and we see an administration that's more committed to that cooperation part, I think they won't say, well, we don't believe you now, or we're not willing to take this because ultimately there's a desperate need for that leadership and they don't believe that can come from China, notwithstanding the various symbolic gestures from Beijing. I also think

that what happens next is more important than what happened before, right? All of the hullabaloo over the travel ban and all of that, I think none of that really matters all that much because all of them now have travel bans. No one's really traveling anyway at that time.

Thomas Wright: The real question is when you get to the global economic response and when you have these for assistance and help and coordination in the next six to eight months. Does the US do things, do other countries do things, that are counter-productive and more along the lines of [inaudible] rather than the response to that Nato 9. That, I think, will be held against the perpetrators of that, whether it's the US or any other country and for quite a while. That's what I will be looking at. I think there's been a real failure of US leadership so far, but I don't think it's irreparable to the US reputation yet.

Constanze Stelzenmüller: I would agree with that. I think that there is a lot of room now for doing what's necessary for all of us. By the way, there is a similar question for German leadership in Europe and over the last two weeks the German government has self-corrected on a number of things that were damaging to its role as the largest economy in Europe, one of the putative two or three leaders, such as its refusal to export medical instruments like masks and respirators. Thank God it is now doing that but it took them two weeks. So you're not alone.

Amanda Sloat: I would just third what both of them said. I think for Europeans they've gotten used to Trump's America First approach over the last three years, and so this is simply an additional data point in terms of how the US is responding. Given that there's now been a pretty significant shift in Trump's attitude towards the crisis, having gone from suggesting it was a hoax to now recognizing it's something he needs to take more seriously, I think Tom is right that the question is going to be how he ends up responding now in the next couple of months going forward.

Suzanne Schaefer: All right. Thank you all so much. If there are no final questions we will go ahead and end the calls here. I want to thank everybody for joining and especially our four scholars for taking the time to speak with us today. As I mentioned earlier we will have a transcript and I will make sure to send that around to all of you just as soon as I have it. It shouldn't take more than 24 hours and hopefully it will be much less, so I will let you guys know.