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WEBINAR

REBUILDING THE TRANS-ATLANTIC RELATIONSHIP  
AFTER COVID-19

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**Welcoming Remarks:**

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**Europe's Response to COVID-19: A View From Ireland:**

Keynote:

PASCHAL DONOHOE  
Finance Minister, Public Expenditure and Reform  
Ireland

Discussant:

THOMAS WRIGHT  
Senior Fellow and Director, Center on the United States and Europe  
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**The Geopolitical Impact of COVID-19 on Trans-Atlantic Relations:**

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**Prospects for Trans-Atlantic Cooperation After COVID-19:**

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**The Future of Europe After COVID-19: A View From Spain:**

Keynote:

ARANCHA GONZÁLEZ LAYA  
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European Union and Cooperation, Spain

Discussant:

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## P R O C E E D I N G S

MS. MALONEY: Good morning. My name is Suzanne Maloney and I'm interim vice president and director of Foreign Policy at the Brookings Institution. It is my pleasure to welcome you to this Brookings-Robert Bosch Foundation Trans-Atlantic Initiative event. We are delighted to be joining together with our longstanding partners at the Bosch Foundation in hosting what promises to be a timely and important event. Our discussion today focuses on the impact of COVID-19 on trans-Atlantic relations and the prospects for renewed cooperation between the United States and Europe.

The past few months have seen our world upended as the novel coronavirus spread from China around the world. In the course of addressing this unprecedented challenge, the pandemic has laid bear numerous flaws in our societies and differences in our approaches that have damaged the trans-Atlantic relationship.

The Trump administration has focused on America's domestic struggle against the coronavirus, leaving traditional U.S. allies to fend for themselves. Internationally, in the absence of U.S. leadership, our traditional allies in Europe have drawn together. For instance, through the European Commission's digital fund-raising initiative they've netted roughly \$8 billion for coronavirus research. But authoritarian challengers, like China, have also sought to benefit from the global coronavirus shutdown, waging an aggressive propaganda campaign and strategically donating medical equipment for political gain.

Our discussion today will center on a number of key questions relating not only to what COVID-19 has cost the trans-Atlantic relationship. At stake is not just the future of our individual countries, but also the future of our alliances and of global order.

I count myself incredibly fortunate to welcome such a distinguished group to discuss these issues. First, we will be joined by Irish Finance Minister Paschal Donohoe to discuss Europe's response to COVID-19. Then we will host two panel discussions focusing on the geopolitical impact of COVID-19 and what the pandemic means for trans-Atlantic cooperation on global issues. Finally, we will close with a conversation with Spanish Foreign Minister Arancha González Laya, who will discuss the future of Europe post-COVID.

In putting this event together we are grateful for the support of the Robert Bosch Foundation. As I noted at the outset, this event is part of the Brookings-Robert Bosch Trans-Atlantic Initiative, or BBTI, which aims to expand our networks and work on how best to further trans-Atlantic cooperation to address global challenges.

Now I'd like to turn things over to Henry Alt-Haaker, senior vice president with the Bosch Foundation, for a few opening comments.

MR. ALT-HAAKER: Thank you very much, Suzanne, and good afternoon to all of you who are sitting on the European side of the Atlantic. I'm very thrilled and have the great pleasure to see you here and to have such a great turnout. Although it's very sad that we can't meet in Washington, D.C., like we normally would and meet in the offices of the Brookings Institution, which, obviously, for coffee breaks and informal chat and many other things, would have been a much more suitable environment, but I am thrilled that we are trying this experiment of having a completely virtual event this time for the first time at BBTI. And hopefully, we can use some of the advantages that that offers and the distinguished speakers that we have lined up are, I think, part of that because I doubt that all of you would have been able to come to Washington right now. And so, I'm very excited and thrilled that we're having this conversation amidst this current, very difficult period of time.

COVID-19 has impacted nearly every country in the world. And I'm afraid that is has shown the best and the worst in us, both on the human level, but also on the critical level. And COVID-19 is not just a medical issue, as we all have learned, a public health issue, but it's an issue of politics and of societal challenges. And it's a domestic and an international challenge for the trans-Atlantic relations, but also for the European Union and for the general international rules-based order.

And I'm afraid that currently, talking trans-Atlantically, I assume that everybody on this call has the United States and Europe at their heart, obviously we are facing two pandemics. We are facing the pandemic of COVID right now and the second pandemic which is institutional racism and police violence, which troubles all of our countries, and which are both coming together in this unfortunate time.

But today, as Suzanne said, we're talking about COVID-19 and its impact on both Europe and the European Union. And I am particularly thrilled to hear what Minister Donohoe is going to say and

whether he's thinking that the German-French initiative is going to reignite the engine of the European Union or whether we are continuing into this slightly dissonant conversation that we had over the last couple of months.

But COVID-19 also affects the trans-Atlantic relations and it will for a long time affect those, no matter who's going to win the election in the fall. And it does so in light of a changing international order.

We have exciting speakers lined up. And since we are a little bit later, I'm going to end here and hand it over to the much more exciting speakers, who are going to give us their fascinating input, and hand it to Tom Wright, who's going to introduce our first keynote speaker.

Thank you.

MR. WRIGHT: Great. Thank you so much, Henry. And thank you to Bosch for your continued support for this important initiative. And we are delighted to be able to meet virtually today. Obviously, it would be better to meet in person, but we hope to do so next year.

So, I have the great privilege of opening the first session for today, which is with Paschal Donohoe, Ireland's minister for finance, who is a frequent visitor to Brookings over the last few years. And we are extremely grateful to him for joining us this morning, or this afternoon in Dublin, at such a busy time.

Paschal has been Ireland's minister for finance and public expenditure since 2016 and he's been a TD member of the Irish Parliament since 2011. As I mentioned, he visited Brookings on several occasions to talk about the future of the euro zone and Ireland's economy. He's been critical in building new alliances within the euro zone for Ireland after the financial crisis and also during the Brexit negotiations very successfully.

He also, and I find this remarkable, is the author of several excellent essays on critical economy in The Irish Times and in other publications. I think he's one of the very ministers of finance in the world who's engaging in the intellectual debate on the future of the global economy. And so, we look forward to hearing his thoughts on that.

The COVID-19 crisis hit Ireland just after an election in February of this year. The

government, which Paschal is a part of, continued to serve in a caretaker capacity to deal with the crisis. And after several months of a very restrictive lockdown, Ireland has succeeded in flattening the curve and is now reopening.

Yesterday, Paschal was part of the Fine Gael negotiating team that reached agreement with Fianna Fáil and the Green Party on a new coalition that could take office in a couple of weeks. So, this is a very busy time for him, but we congratulate you on that.

And finally, today is Bloomsday, I understand, so it's particularly appropriate I think to have this conversation.

So, Paschal, thank you so much for joining us. And perhaps you could start out with some opening remarks and then we'll have a conversation and then take some questions from those watching online.

MR. DONOHOE: Well, Tom, thank you very much for the introduction. And I want to begin by acknowledging and thanking Brookings for the really vital work that they are doing at the moment; to thank Tom for the introduction; and to say that many of us here in Ireland are particularly proud to see the role that Tom has played in leading the work of the Brookings Institution, in contributing to the debate in America and beyond in relation to foreign and economic policy.

And with all of the challenges that we are facing, it has never been so important to engage and interact. We're all adapting to new ways of doing so and becoming, in different ways, digital diplomats. Over the last couple of weeks, I have been on a so-called virtual visit to Washington. I've met with senior figures in the White House, the U.S. administration on Capitol Hill, and continue to engage with U.S. business.

The one downside of this is that I haven't been able to visit your great city again and, in particular, its wonderful bookshops. Something I'm particularly conscious of as today is, as Tom has said, Bloomsday, when we celebrate one of our greatest writers, James Joyce. But I hope to be back in Washington one way or the other soon. And I really hope that Kramerbooks and Politics and Prose are open when I visit.

We are, indeed, as all of the other introductory speakers have noted, living through an

extraordinary time. Often it feels that we are witnessing huge historical shifts compressed into weeks and months. Lenin's observation that "There are decades when nothing happens, and there are weeks when decades happen" has rarely felt more apt. In the space of a few months the coronavirus has swept around the globe, leaving a wake of human and economic suffering. The World Health Organization notes that there are almost 7-1/2 million cases of infection and the tragedy of over 400,000 lives lost. Last week, the OECD noticed that this is the worst health and economic crisis since the Second World War.

This has created extraordinary uncertainty. We may need to adapt our economies and our societies to live with this new virus for some time.

However, crucially, this crisis is on such a scale that no nation can successfully address it alone. Around the world governments and central banks have taken unprecedented steps in budgetary and monetary policy to protect public health, jobs, and incomes. And these interventions are transforming the policy and economic landscape.

The Irish government has already committed exceptional financial support for workers, for businesses, amounting to 13.3 billion euro or 7-1/2 percent of gross national income. We've been able to act decisively and with scale because we managed our public finances with care in recent years.

However, action at EU level has also been ambitious and it has also, Tom, been essential. Here in Ireland, confidence in the European Project is a vital condition of economic recovery, and European leaders have acted to provide this confidence. The Euro Group played a key role. Reach an agreement first and a 540 billion euro package of three backstops: one for workers, one for businesses, and one for governments.

This was in addition to the prior actions from the European Central Bank through its 1.35 trillion euro Pandemic Emergency Purchase Program and the triggering of flexibilities and the Stability and Growth Pact and in state aid rules by the European Commission.

The contrast with the European response to the global financial crisis a decade ago is stark and it's positive. And as the virus recedes, our priority now is to return the Irish and the European economy to health, and to deliver the right policies to support job creation and growth as so many of our

citizens have lost their jobs in circumstances they simply couldn't have imagined a few short months ago.

But as the historian Adam Tooze puts it succinctly recently, "It is easier, it turns out, to stop an economy than it is to stimulate it." Certain industries will face huge challenges to the changes in business and consumer behavior that has been wrought by the pandemic, while others that are resilient will survive and then thrive. But, again, in this area Europe is looking to act decisively.

The European Commission has published an ambitious 1.85 trillion euro package embedded in the EU budget to respond to these challenges. It includes a 750 billion euro recovery fund, Next Generation EU, which seeks to target funding to regions, to sectors that have been most affected by the crisis. It seeks to accelerate the digital and the green transitions.

This is both welcome and it's necessary. It's a tangible demonstration of EU solidarity like never before. On this and using this as a foundation, we must aim for a recovery that lists all member states and their citizens together, so that everyone benefits, a recovery to which all members of the European Union contribute and benefit from. And this is why the EU recovery fund is so important and it's why we'll work closely here in Ireland with our partners in Europe in the spirit of solidarity to build consensus for agreement.

And we do this, as Brookings well knows, in a challenging geopolitical landscape, which has been made more complex by coronavirus. The pandemic struck at a time when the anchors of globalization and mutual interdependence were already under sustained pressure. If the interdependence of financial systems created higher risks than the last crisis, then the interdependence of supply chains create risks in this one.

The pandemic revealed vulnerabilities into why supply chains are structured, for example, impacting and the production and delivery of medical equipment and devices for health services. And I think it's inevitable we will see a revaluation of how parts of the global economy are structured as we emerge from this crisis. In particular, we should acknowledge that the existing model of globalization, for its many benefits, did create vulnerabilities at a time of strain for citizens and states.

However, I believe that the answer lies not in rejecting the concept of globalization, but by building a different and better global system that mitigates the risks of economic and political



interdependence.

And what does this mean? It means that rather than seeking to unravel globalization in its entirety or pronounce its demise, we should work to ensure a more resilient global economy through the role of Europe, through a stronger trans-Atlantic relationship between the EU and the U.S., through how we can appropriately diversify supply chains, through work to reform the WTO, improve competitiveness, and investment into purpose-led industries of tomorrow.

And amidst this change, Ireland will again have to identify new opportunities and then pursue them. As a country that is deeply embedded in global and European supply chains and integration, I recognize this kind of change, this kind of debate is a significant development for Ireland. But when an economy that is based on diversity, I'm confident that we'll rise to this opportunity.

And we all need to do this with care, so that we don't replace one vulnerability with another and risk fragmenting the global economy. The future of the trans-Atlantic relationship is vital to this global journey. Together we account for a third of global national income. Together we can be an engine for growth and recovery.

With our unique ties to the U.S., Ireland will do and play its part to support a strong trans-Atlantic relationship and act as a bridge between Europe and America. We'll also continue to invest in multilateral processes that are so necessary for the global economy and international stability.

We need more international cooperation and understanding, not less, if we're to tackle this crisis, as well as all of the other challenges we're so familiar with, from climate change to migration, and many other global problems that demand global solutions. And I believe that during this crisis the European Union, through its economic interventions, is showing its commitment to this form of action and cooperation.

The (inaudible) are small size. Ireland has always been willing to play our part and make a global contribution. We will, for example, learn tomorrow if we are elected to a non-permanent seat to the U.N. Security Council. And we'll continue to make the case for a values-based, mutually beneficial relationship flowing across the Atlantic.

So, on this day it seems on Bloomsday very appropriate to end with Joyce, just as I

began with him, when in “A Portrait of the Artist as a Young Man he wrote that, “The past is consumed in the present and the present is living only because it brings forth the future.” We need and the challenges are so great and when fractures appear too deep to rededicate our efforts to bringing forth that future, to making the case for cooperation, making the case for moderation, and making the case for inclusivity.

If we think of the pandemic as a global and common experience, the case becomes clearer for global cooperation and a coordinated health response and the search for a vaccine and then the safe reopening of our societies and the rebuilding of our economies. And I believe that together we can build the common ground that’s necessary to do so.

Thank you, Tom.

MR. WRIGHT: Great. Thank you so much, Minister, for those remarks. And it’s very thoughtful and I think lots of food for thought.

So, if you’re watching and you would like to ask a question, please on Twitter just use the hashtag #BBTI and it will get to us. We will address some of those in 15 minutes or so.

But, Minister, I’d like to start really with just your reflections on the last few months at the euro zone and EU level. When this crisis started there was a sense because healthcare is a national competency and not an EU competency that it was every nation for itself. We saw Italy particularly badly hit by the virus early on sort of upset that the EU was maybe not as engaged. The Serbian president outside the EU was criticizing sort of the national response. But then, as you observed, there was quite a rapid shift and a greater cooperation, some real difficult meetings, perhaps late-night Zoom meetings on reforms. But then there were breakthroughs and the French and German Initiative, as well.

I was wondering if you could just give us your sort of reflections and talk us through a bit how the crisis was sort of understood initially and how it evolved. I mean, what was sort of the process by which leaders began to realize that this is an existential problem for the euro zone and it is a different type of crisis than in 2008/’09 that would require a different type of response?

MR. DONOHOE: Thanks, Tom. Well, I think your question has summarized very well the different phases that Europe went through in dealing with the threats and challenges of this terrible disease. And I think it’s fair to say that in the very early stages of it there as a degree in which nation

states refocused in on the most fundamental duty that they have to their citizens, which is that of safety and that of protection. And I think it would be fair to say that in the very early phases of it the kind of coordination and communication that is a hallmark of how Europe looks to work together was absent as the scale of crisis became so apparent so quickly.

But I think shortly after that happened, it became apparent to all of us on two different levels that this was a challenge that looked to challenge the very foundation of the European project. And it did so, firstly, because on a political level the rationale for the European Project as this point in our collection history, and as we look into a future that's always open, was one of how countries come together to achieve more than they can on their own and come together to engage in common activity in which national borders don't play that prominent a role.

And, of course, we were dealing with a phenomenon that did not know or did not respect national borders. And there was a real sense amongst leaders within Europe that if project that's based on trying to subsume national borders into a different form of cooperation couldn't respond back to a threat that itself doesn't know borders, then the greatest of challenges would be posed for us. And as we began to see undertones develop nationally in response to concerns regarding lack of cooperation within Europe, this refocused all our minds on what the European response to this was.

And how that manifested itself, Tom, is in the frequency with which Eurogroup and ECOFIN met during the early phase of this crisis, when we met a number of times every week, where we kept in contact with each other bilaterally. And we realized that if in the aftermath of the acute phase of this crisis, if that deepened fragmentation within the euro zone, then our very foundations were challenged. And that realization drove the action that I'm making the case for with you today.

MR. WRIGHT: Thank you. So, we have a question from one of our viewers or one of the audience. It's Nick Lokker at AICGS. And he has, I think, a very appropriate question to follow on. Nick's question is, how appropriate is the comparison between the EU recovery fund and the compromise forged by Alexander Hamilton in 1790 whereby the U.S. Federal Government assumed state debt? Is talk of a Hamiltonian moment overblown?

I think that really gets to the heart of the issue in terms of where the euro zone is headed.

And obviously, many difficult conversations lie in the future. But we're living in a moment now that is a historical moment. I mean, this will be looked back on, for better or worse, as a fairly unique moment in our history.

So, it's very hard for us to foretell the future, but where do you think this is headed and is such talk an exaggeration or is it sort of a possibility?

MR. DONOHOE: Oh, three different thoughts beckoned us. Let me say in two areas in which I do think there's a parallel and then in one area in which I don't.

The first area in which I think there is a fair parallel is that moment of Hamilton was a great moment of political imagination in which he imagined what was possible and imagined what needed to be done. And I think in the number of weeks that led up to the different interventions that I touched on, then the intervention by Chancellor Merkel and President Macron, and then the package that was put forward by the European Commission, that was a moment, they were moment of imagination driven by necessity.

The second area in which I think the comparison has some parallel is because it was also looking at new forms of integration and how by a new form of integration you can do something in which cooperation can achieve that which can't happen when you're working on your own.

The third area, though, in which I think the parallel falters a little bit is that, of course, a big element of that moment of Hamilton was ordered by mutualization. And really what this intervention is doing it's looking to the future rather than to looking to mutualize the death of today or the death of yesterday. And instead, is looking at how new funding can be made available in the future by new forms of borrowing.

So, while I think there were some areas in which it is an appropriate analogy, I think there's one fundamental area in which this moment is different to that moment in America.

MR. WRIGHT: Thank you. So, staying on the theme of the U.S., I mean, much has been made of the Trump administration's fairly nationalistic approach to this crisis, and we've seen that play out. But in the economic sphere it seems like it's been a little bit different. The Federal Reserve and the European Central Bank have acted in a big way very early on, much quicker and on a larger scale than in

2008/'09.

And I was wondering if you could just maybe share your thoughts on, you know, how you see the international and economic cooperation between the world's major economies maybe beyond the presidential or prime ministerial level, like what's actually happening under the hood, and how sort of significant is that. And could there be more or what's your sort of take on what's been to date?

MR. DONOHOE: I think to date the interventions that have happened at the level of Europe and the level of America have played a vital role in mitigating the very worst that could have developed. I think there is a commonality in the sequencing that took place in that in each case it appears that central banks moved with speed and with scale. And then shortly afterwards, the budgetary pillar and the fiscal pillar to accompany the monetary pillar was put in place.

And here in Europe, there was a very clear sequence that followed, that the ECB shortly afterwards when the economic challenge became so apparent it put in place the Pandemic Purchase Program. It had a vital stabilizing role in sovereign markets. And that created the space then in which the finance ministers of Europe were then able to work. And I think there's some positive parallels between that and what happened in America, where I think at state level and congressional level, the level of fiscal stimulus complemented what was happening with the Federal Reserve.

I think it would be fair to say that at G-7 and G-20 level, that level of coordination perhaps hasn't been as apparent as it was in the past. But then I think critically the speed of action in key parts of our world economically I think has been proportionate. And, of course, the challenge we're all going to face now is, again, in comparison to a decade ago to make sure that we get the balance right between tapering and adjusting those kinds of intervention and supporting the encouragement of employment and income. And getting to that equilibrium across 2020 and 2021 is, I think, going to be the preeminent challenge that global economic policymakers will face.

MR. WRIGHT: Thank you. You mentioned in your remarks one aspect I found very interesting was resilience and sort of the interdependence piece, which is getting quite a lot of attention over here, as well, particularly relating to China. Now, the U.S. sometimes has called it decoupling; in Europe I think it's called diversification. But the sort of substance is relatively similar and it's sort of

rethinking unconditional integration that sort of took place over the last quarter century.

I was wondering if you could just unpack that a little bit and particularly since, you know, for the U.S., obviously, it's such a significant part of the pharmaceutical sectors based in Ireland, and the U.S. and European economies are very closely linked. Maybe could you tell us a little bit about what you have in mind? And do you think this will be mainly European and American separately or would it be possible to have sort of a trusted partnership arrangement where there's a renegotiation of some of these key things? Or what could be done basically to ensure that our societies are maybe not self-sufficient, but collectively resilient to external shocks?

MR. DONOHOE: Well, I would challenge any policymaker who would put forward the case that self-sufficiency on a national or even regional level is a realistic objective in the context of the complexity and sophistication of the products that we are talking about generating and delivering that are then needed for the kind of healthcare that I think will be so important in the decades to come.

And both on a European level and I think an American level those who are striving for a goal of self-sufficiency, I would make the case back, as I noted a moment ago, that we need to be really careful that we don't replace one vulnerability with another. And instead, the way I think we should look at this matter, and the trans-Atlantic relationship is surely a prism within which we can try and make this work, is look at how we can come up with new forms of cooperation in which those kinds of needs can be met inside our respective societies and countries.

And if I look at where we are, for example, with healthcare and if I look at the advanced healthcare needs that we will need to meet due to dealing with this pandemic and other challenges I think we'll have in the future, it's so unlikely that any one part of the world would ever be self-sufficient and it's so unlikely that one part of the world that if they ever approach being able to meet their own needs, won't need to share some of those products and some of those expertise with neighbors or other parts of the world.

And I think despite the challenges of recent years that we're all aware of, Europe, as we have begun to debate about strategic autonomy, that concept now has evolved a little bit into the idea of open strategic autonomy. And it's moved into that space because of a recognition that self-sufficiency on

its own only gets you so far.

I think it's a really challenging area, Tom, a very demanding area. But I think if we don't approach it in a way of trying to find new forms of cooperation, I fear it could create other dangers and challenges in the future, and we have to try and avoid that happening.

MR. WRIGHT: Thank you. So, the EU is meant to have a summit with China in Leipzig later this year. It's recently been postponed maybe by a month or two till December during the German Council presidency. Sometimes the resilience discussion is sort of wrapped up in relations with China. Relations with China have been a little bit fraught in the European Union over the last three months.

Could you just say maybe a little bit about just any sort of personal reflections on that? I don't know if Ireland's had much sort of interaction, you know, with China over the last three months of the crisis, but particularly looking ahead to the agenda later this year and sort of the German presidency and its hopes for the Leipzig summit and maybe Europe's future relations with China post sort of COVID. Just where do you think that's headed? And, you know, it seems like there has been a bit of a shift over the last few months on both sides.

MR. DONOHOE: Well, firstly, I think we're very fortunate to have our friends and partners in Germany as presidents of the European Union at this point because for many, many different reasons. I believe Germany is so well placed to lead the debate and to engage with China at this point in the global relations between China and the European Union.

On the level here within Ireland, I have to say that during our efforts to deal with this disease and particularly in the very early weeks of it, the engagement and relationship that we had with China, particularly true their ambassador here and our ambassador in China, was one that was positive in efforts that were underway in relation to the sourcing of PPE. But I'm also aware and appreciate the concerns that are there regarding how we can maintain global stability as we look at a country of such scale where they both pose challenges and consequences in some areas, but are also partners from an -- due to the scale and due to the influence they have in the world.

In terms of the work that we've been having and debates we've been having within Eurogroup and ECOFIN, I think it's fair to say that over the last number of months our efforts have been

consumed with how we protect and develop ourselves economically in the context of the disease. And I have no doubt at all that in the coming months this issue of external relationships, challenges, and friendships will come back a bit more on the agenda.

But, as I said, we're fortunate at this point to be having Germany as presidents of the European Union as we look into that debate.

MR. WRIGHT: Thank you. So, just turning closer to home, just yesterday you agreed that Programme for Government with the Green Party and with Fine Gael. It's a coalition, obviously, with the Greens. The Greens are sort of on the rise in different parts of Europe and climate, of course, is a big part of Ursula von der Leyen's agenda certainly pre-COVID.

I was wondering if you could just say a little bit about maybe how this government might differ from the previous one and how it fits into that sort of Green and digital agenda on a European-wide level.

MR. DONOHOE: So, it's been a pretty busy few weeks and months here in Dublin between dealing with COVID-19 and then our efforts to put a new government together. But I'm really pleased that yesterday our three party leaders were in a position to agree a Programme for Government that now the members of our three political parties will have to consider and I hope ratify.

In terms of how it is different from what has gone before, I mean, it's different on so many different levels, Tom. The first one is that it is historic in that it will be the first government in our country in the history of Ireland in which the two political parties of the center, Fine Gale and Fianna Fáil will both serve in together. And this is a unique moment amidst many other unique moments in 2020. And then as that relationship is developed in government, it will be done so in the context of the Green Party joining.

In terms of how the policy platform is different, it's different in that the climate concerns are so preeminent in the Programme for Government that was negotiated. In particular, a renewed commitment to emissions reduction here in Ireland and a renewed commitment to how we can pull together the infrastructure in our country that's really important for the transition to a lower carbon economy. We have spent many, many long days and long nights negotiating this agreement. And if we



are successful in gaining the support of our members for doing this, I think it'll be a government like no other. And it'll have lots of challenges within us, but also great, great opportunities.

It will also be important in that it will be the first majority government that has been formed in Ireland since the aftermath of the global financial crisis. And that on a domestic level will be an important development.

MR. WRIGHT: Thank you. So, one final question, which is maybe going back to the dominating crisis of 2019 and 2018, which is Brexit. We have one question from an audience member, who asks how has Brexit complicated Ireland's response to COVID-19? Have bilateral channels between Dublin and London functioned effectively?

And perhaps since this is the last sort of question, you could also add on to that. It looks, you know, the U.K. is not going to ask for an extension. It looks like we maybe are headed toward a harder type of Brexit. Obviously, Brexit has been sort of overshadowed in a way by this greater crisis that's occurred, but it's still there. And I was just wondering if you could maybe tell us a little bit.

Obviously, this is a crucial issue for Ireland. You know, how are you thinking about it at the moment and what additional challenges does that pose on the economic front?

MR. DONOHOE: So, it poses many, many additional challenges. And so much of my political life over the last number of years has now been consumed by dealing with Brexit at both an economic and political level.

And while the negotiation has always been handled by the Commission of the European Union through Mr. Michel Barnier, it would also be fair to say that bilateral contact between the Irish government and the British government have been vital at different points in the negotiation process. And I have had very close working and indeed personal relations at a time with the previous chancellors of the exchequer in the United Kingdom, and I'm going to do the same with the current and new one.

In terms of the challenges it will pose, a very hard Brexit on top of all that we are dealing with and all the harm that we are dealing with that has been caused by this pandemic and the Irish economy and the British economy would make the recovery even harder. There's no doubt about that. But we'd still get that recovery and we'd still get there. It would just be a harder one.

But if that's the case for Ireland and it's the case for Europe, I believe it would also be the case for the United Kingdom. And I think it is a positive signal that when Prime Minister Johnson and Charles Michel, who's the president of the European Council, met only this week, only yesterday, both of them agreed to the need to reinvigorate the negotiations that are going to take place now in the coming weeks. And I think that's a really positive sign and it's an expected positive sign for me, but it's really good that it happened.

So, I will end on a note of optimism on that particular question. I note to the left of your shoulder there you've got a fantastic book by Tim Shipman called "Fall Out" that talks about the many ups and downs in British politics in recent years. We have had lots of ups and downs in dealing with Brexit. But where there is a will, there is a way. And there is a great goal to be achieved by an orderly resolution of all of the issues in relation to Brexit, which is the value of a relationship that a country that has left the European Union, the United Kingdom, but one with which we still have so much in common from a values point of view.

And I think for the rest of the 2020 we have to strive to see can we find the relationship which won't be as good economically as the one we have today, but maybe could be better than many are fearing we might end up with next year. And this is something that if we are successful in having a new government formed here in Dublin in the next few weeks that through our membership of the European Union we'll try and play our part in forming.

MR. WRIGHT: Minister Paschal, thank you very much for this wonderful conversation. We look forward to welcoming you back and allowing you the opportunity to visit the bookshops around Washington. And next year we wish you the best of luck both in the government negotiations and modification and also the U.N. Security Council vote tomorrow on the members that Ireland's up for election in.

And we hope you have the opportunity to celebrate Bloomsday later on in a socially distant way. But thank you once again for joining us.

MR. DONOHOE: Well, Tom, look, thank you very much for the invitation. Just wanted to acknowledge all of the great work that goes on in Brookings for helping us understand where we are now

and where we want to go in the future. And congratulate you and all the work that you're doing.

If I talked about Tim Shipman to the left of your shoulder, I have to note for anybody here that to the right of your shoulder, "All Measures Short of War," Tom's last book, is a fantastic understanding of where we are at the moment and some of the challenges that we have coming up.

So, hope all of the participants in the conference today (inaudible) positive discussion. And I hope one way or the other I have the chance to see you all physically soon.

So, thank you very much. Stay safe and good luck with everything in the future to all of you.

MR. WRIGHT: Okay, thank you everyone for bearing with us and we are ready to get started for our second session of the day and our first full panel, which is on the Geopolitical Impact of COVID-19 on Trans-Atlantic Relations. And we are delighted to be joined by a really stellar panel and discuss this.

So, we have with us Ivan Krastev, who is the chairman of the -- sorry, Ivan Krastev is chairman of the Centre for Liberal Strategies in Sofia. And has written many excellent articles about geopolitics on trans-Atlantic relations and also about the geopolitical impact of COVID-19. My colleague, Amanda Sloat, who is a Robert Bosch senior fellow, has worked on Brexit and Turkey issues, as well as trans-Atlantic issues more generally. Fiona Hill, who is our senior fellow and recently returned from a stint in the Trump administration as a senior director for Europe and Russia. Giovanna De Maio, who's our visiting fellow in Italy. And also Kemal Kirişçi, who's our nonresident senior fellow on Turkey.

So, without further ado, I think we'll jump right into it. And, Ivan, maybe if we could start with you, but this is really the first crisis people have said that has a fracture in the trans-Atlantic bond. That there isn't that traditional type of American leadership. We just heard from Minister Donahoe there that the European Union has actually responded effectively to it after a rocky start than the first few weeks. But there was some concern that it could also lead to the fracturing of the Eurozone of the Eurozone Project. So, I was wondering if you could maybe tell us how significant do you think this crisis is geopolitically, and where do you think we're headed?

MR. KRASTEVEV: Thank you very much for the pleasure of being on the panel. But

there's several problems with this crisis. The one is that it has not ended. And from this point, it is very difficult because we can see a very different dynamics of what is going on.

And secondly, our political imagination is done in the way that we are very good at remembering wars and revolutions, but we don't know what to do with pandemics. The statistics that align very much is that, of course, the Spanish flu has killed much more people than the World War I. But we had 80,000 books devoted to the World War I and only 400 books to the Spanish flu.

So, from this point of view, obviously, we're going through a kind of a very important moment, but it is not particularly clear what is going to be the impact. What I am going to do is just give you the results of a survey that European Council on Foreign Relations did in nine EU member states. It was done just now two weeks ago when the country starts to open. The results are not published yet, but they are very relevant to our conversation.

Paradoxically, the biggest impact on the imagination of Europeans out of this crisis was that Europeans understood how lonely we are in the world. And this a big way. On one level, the view of the United States really deteriorated all over these nine countries and we're talking about all major big countries plus strong cells in East European representation. And this is particularly dramatic in Germany.

And to be absolutely honest, part of it, of course, is President Trump and the fact that America didn't took its role as a global leader. But secondly, this was also images of the United States. United States starts to look as a broken country. You have this very rich country, which is spending so much money on public health, and then you have all this happening. And I do believe this is an important element because in this first stage of the crisis, public opinion didn't play any important role. But now when the governments are going to reposition and particularly knowing how vulnerable it is, this is going to be an issue.

At the same time, basically, the view of China also changed. Not as dramatically. Slightly different from country to country, but suddenly Europeans also saw much more aggressive and the ugly face of China, which was pressing Europeans to praise them, which basically are playing this type of a facial mask diplomacy. So, the result of this is that suddenly Europeans, majority of them in all countries, started to go for something that I am going to call progressive protectionism.

By the way, there was no, nobody was highly impressed by the performance of European institutions in the public health stage of the crisis. But suddenly, Europeans decided that we should stay together. Not, to be honest, because of values or things like this, but because there is nowhere to go. And as a result of it, this is interesting to see that the relations with the United States are going to be very much kind of shaped by this.

It's not going to be easy to believe that the relations are going to return back to normal. Nevertheless of what kind of changes are going to happen in the United States. Because suddenly for Europe, the fear of globalization comes back. The idea that we cannot rely on the United States, not simply because the United States is not interested in Europe, but probably because the United States is going to look much more inward. And certainly, you have Europe that started very much to look around itself and think it bears it only what is happening there.

There is only one topic on which I do believe that particularly political change on the elections, yeah, is going to have a major issue. And this is going to be the climate change issue, which continue to be quite important particularly for the younger part of the population.

But strangely enough, on one level Europeans are becoming more and more mistrustful toward China. On the other, the real nightmare of the European leaders is that Europe is going to be squeezed to make the choice between United States and China in a much more aggressive way. From this point of view and I'm going to end up on this, the most kind of emailed article what I saw between the high level European advisors and leaders these days was the article of the prime minister of Singapore. Why Singapore is on the caption basically to choose between the United States and China.

MR. WRIGHT: Thank you, and that's, Ivan, that's definitely a theme we want to come back to I think later on. But I'd like to turn to Giovanna next, if I may.

Giovanna, Italy was particularly badly hit early on in this crisis. And I remember we had discussions about whether or not this would permanently damage the reputation of the EU in Italy. Obviously, things have moved on since then. There's been a bit of a more coordinated European response. But I was wondering if you could maybe tell us a little bit about the future relationship between Italy and the Eurozone and EU and other EU member states. And if this crisis is likely to have a lasting

impact on thus.

MS. DE MAIO: Thank you, Tom. I'm delighted to be on this panel with such incredible colleagues and fellows.

Yes, Italy has been particularly hit by the virus that has taken more than 24,000 lives and also economically speaking, the forecast for Italy's GDP gross in 2020 is estimated of a minus 9.1 percent. So, of course, this is going to reflect in Italy's foreign policy. But during this particular crisis, Italy has found itself directly affected by U.S. and China confrontation.

And in fact, since Italy with the signing of a memorandum of understanding on the Belt and Road Initiative last year, as a particular place in Chinese-European projection and has been it's no coincident that Italy has been the main target for Chinese mask diplomacy and propaganda. And in fact, China really profit benefit from the initial hesitation of European EU member states in terms of export of medical supplies and material. And in fact, due to also agreements between China media group and some Italy media, Chinese action is being particularly amplified both through diplomatic -- Chinese diplomatic channels, but also through Italian media.

And this has definitely impacted public opinion because now Italians see China as the most friendly country, followed by Russia and then the United States and France and Germany in this poll released in March. They were considered as rivals and, of course, not friendly at all.

But at the same time, the U.S. responded to these Chinese actions through a more -- through showing support to Italy. And in fact, decided to sign this presidential memorandum of assistance basically granting Italy \$100 billion in medical supplies.

So, for sure, Italy's foreign policy even during the crisis, did not have a shift towards China because (inaudible), of course, did not take Italy away from its traditional Atlanticism. But it seems like in this competition, Italy has been playing the game he has been doing for the European Union during the Cold War, basically trying to engage on multiple fronts trying to maximize advantage.

But, of course, the debate in China besides the public opinion is particularly heated in Italy with the Five Star Movement being very much pro-China. The League and the center right being very hawkish on it, and also very skeptical of the European Union and the democratic party actually trying

to find a common strategy.

And in all of this the fact that the U.S. has -- and this administration has not promoted a friendly approach towards European Union also triggers the fact that Italy doesn't really see advantages in engaging with European Union towards a more strategic view on China. And is keeping on doing this multi-lateral, multidimensional approach actually is impacting public opinion, but also is thinking of short-term gains rather than long-term strategy. And I'll stop here.

MR. WRIGHT: Thank you, Giovanna. It's fascinating.

Amanda, if we could turn to you next. I mean, the U.K. has surpassed Italy, I think, as maybe the worst hit country in Europe. Initially, the prime minister sort of adopted, you know, maybe a more sort of tough it out strategy and then, of course, fell ill himself. And now while he has recovered thankfully, you know, Britain is maybe slower in reopening and then other countries are and it's still very challenging.

I was wondering maybe if you could give us your sort of thoughts and reflections on of the impact on the U.K. Not so much on maybe the medical sort of and economic side, but psychologically, you know, Germany and others have faired a lot better. The U.K., of course, has left the European Union partly because it thought it could do better on its own. What do you think sort of the real impact of this crisis is on the United Kingdom and on its sort of geopolitical future?

MS. SLOAT: Thanks, Tom. Certainly the U.K. and Prime Minister Boris Johnson did not have a good crisis. The U.K. as you said, was an outlier compared to the rest of the European Union countries in terms of their initial crackdown or closure in response to the crisis. They were much more focused on this idea of herd immunity. And they were also concerned about quarantine fatigue.

One of the leading scientists has actually come out this week and said if the government had locked down a week earlier, they would halved the number of deaths. The U.K. has been second globally to the United States in terms of the number of deaths, only surpassed this week by Brazil, which now pushes the U.K. into third.

They are also really struggling economically. Numbers have come out for April that showed a 20 percent drop in GDP. And the OECD has said in recent days that they think the U.K. is

going to be the hardest hit of all of the major economies by the coronavirus. As you said, Prime Minister Boris Johnson got sick himself. Came very close to dying by all reports. And there really initially was a rally around the leader effect. And there had been some support for the government's initial actions, even though there had been a fair amount of criticism.

That certainly has changed within the last couple of days and weeks. There was a botched roll out by the government of some of the provisions to try and reopen the country. It turned out that none of the devolved governments in Scotland, Northern Ireland, or Wales wanted to follow Boris Johnson in reopening as quickly as he did. The messaging was very unclear. And then there was a significant domestic scandal where one of his chief political advisors, Dominic Cummings, broke the very rules that he himself was believed to author by driving across the country while sick to shelter elsewhere.

So, in the wake of that, Boris Johnson's own popularity and the popularity of the government dropped 20 percent. Which is a significant change from where Boris Johnson was in December when he won overwhelmingly in the elections with a 70 MP majority within parliament. At the same time, the labor opposition party has a new leader whose support has gone up nearly 30 points in recent days.

So, a very difficult domestic political situation for Boris Johnson at a time when the country has been hit very badly economically, has been hit very hard in terms of the number of deaths, and it's also exposed a lot of the weaknesses within the country including some failures within the health system and as we are seeing in the U.S., a disproportionate number of people of color that have been getting sick as opposed to others. And there have been similar types of protests to the Black Lives Matter movement that we've seen in the United States dealing with Britain's history of slavery and with colonialism.

So, what we are seeing the government starting to do in response to this is to try and shift attention away somewhat and focus on some domestic issues. So, as Minister Donohoe was saying earlier, Brexit was back in the headlines this week. Boris Johnson met yesterday with the EU leaders. There was a lot of talk about wanting to expedite these negotiations on nailing down a trade deal. Boris Johnson has made clear he does not want to extend the transition period, which is set to end at the end



of this year. Boris Johnson sounding very optimistic about getting this done by July, which I think most observers think is extremely unlikely and also a lot of doubt about whether something could be done by end of the year.

So, there is a possibility that if the U.K. ends up leaving the EU without a deal, you're going to have a second significant economic shock on terms of -- on top of the economic downturn that we've seen with COVID.

At the same time, the U.K. and the U.S. this week held their second round of trade negotiations. The U.K. government seems to believe that this will help put pressure on the EU as that moves forward. But those negotiations are going to be difficult. And then just this morning news came out that Boris Johnson announced that he is going to merge DIFID, the International Development Agency, within the foreign office. Which is something that has long been a preference of the conservative party and a back-and-forth between conservative and labor.

So, I think what we are starting to see within the U.K. is a move back toward domestic policy with Boris Johnson trying to regain control of the political agenda given the very disastrous experience that they've had with COVID, including calls now for a national inquiry into how the government actually handled the pandemic.

MR. WRIGHT: Thank you, fascinating.

So, Kemal, I thought maybe we could turn to you next and zoom out the lens a little bit and then we'll come back in maybe to Europe. But this is a global crisis, of course. And one of the major challenges that the European Union has had over the last five years has been on refugees and refugee throes and the complex in the greater Middle East.

Saturday is World Refugee Day. You're doing a lot of work on this and refugee populations certainly seem to be among the most vulnerable in the world to COVID for pretty obvious reasons. Could you talk to us a little bit maybe about this challenge, about what's being done, or the impact. Has the world and has Europe and the U.S. sort of changed its approach to dealing with refugees? And what do you think the scale of this challenge will be in the future and how that's sort of affected by this current crisis?

MR. KIRIŞCI: As you've pointed out, this Saturday will be World Refugee Day. And it's also the day when UNHCR puts out its annual report on the state of affairs as far as displaced people go. I suspect that the focus is going to be on the way in which the pandemic has impacted on refugees. So far, I think the best report has come out from the International Rescue Committee, which has flagged out the way in which refugee and displaced people are experiencing a double emergency in the sense that you hint to that that their living condition, the fact that they are living in very crowded premises. They cite, for example, very interestingly how on the Diana Princess ship, that the rate of transmission was four times higher than in Wuhan. And the report focuses on a number of refugee situations where the population intensity is eight and a half times more than on the Diana -- Diamond Princess.

Now, interestingly so far, the reporting we have managed to find is that there are very little transmission cases. But I suspect that this doesn't represent the real picture out there. The report also points out that the other side of the medallion is the way in which these refugees, 80, 85 percent of them find themselves in countries that are already fragile infrastructurally in the economic political sense of the word. And their access to livelihood has been damaged with the way in which economies are being impacted. The fact that the World Bank and IMF and many others are predicting that trade is going to be impacted is going to affect these countries many of whom are dependent on trade.

My personal opinion is that there's been very little attention beyond the U.N. agencies and the countries that are hosting refugees themselves. Yet, in December 2018, the international community, with the exception of the United States and a member of the European Union, Hungary, did sign on the removal compact on refugees. And the global compact does put forward a series of recommendations, policy recommendations underlining the importance of responsibility sharing, but also adopting measures that will enable to improve the self-reliance of refugees given that they find themselves in protracted situations. And that the classic durable solutions that is resettlement and return, voluntary return and local integration are not available. The best is to try to improve that self-reliance and make sure that refugees are not a burden, but also benefits the development of those countries.

Another aspect of it is the emphasis put on resilience of host communities. Now, in that regard, some progress had been taking place prior to the pandemic. We saw the EU Jordanian compact

where the U.S. extended some trade benefits to Jordan in return for Jordan implement extending work permits and formal prospects of formal employment for refugees. There's some problems there, but that constitutes an important reference point.

Similar compacts are being discussed and negotiated for Ethiopia, for example, that has opened up its labor market. But also Bangladesh that holds a large number of Rohingya refugees. There's also the case of the EU-Turkey deal sort of or compact from March 2016. I hear through the grapevine that there are negotiations to try to extend its duration, particularly in respect to funding. But that probably will need to go beyond that.

However, looking forward I suspect that the United States used to be the country that used to receive a lot of refugees through resettlement programs. And those numbers have fallen as many of you may be aware, dramatically since the arrival of the Trump administration. That policy used to be an important burden sharing exercise, especially for host countries. Now, the situation in Syria, for example, has been deteriorating. And I fear that in the coming months and towards the end of the year, we're going to see growing pressure on the refugees and displaced people circumstances deteriorating and prospects of further movement.

The European Commission and the European Union I understand is trying to negotiate but is encountering internal difficulties coming from some member states to try to put together a pact of solidarity with countries that host a large number of refugees. We're going to see how that's going to unfold in the coming months. And I'll stop here and look forward to questions if there are any.

MR. WRIGHT: Thank you. Thank you, Kamal.

And I should note before we go to Fiona that if you're watching and you would like to ask a question, just use the #BBTI, that's BBTI for Brookings-Bosch Transatlantic Initiative on Twitter. And we will see the question and we will ask our panel.

Fiona, there's so much to discuss here. But I think, you know, what I think will be really interesting is to get your reflections maybe on the overall impact of this crisis. You worked on the Euro portfolio in the White House for several years. We've seen maybe a lack of international cooperation in response to this crisis. Although as Minister Donohoe said earlier, you know, economic cooperation has

still been pretty vibrant.

But then also on the impact on Russia. You know, Russia is the country that we don't know that much about in terms of the casualty numbers or the impact. But it does seem pretty hard hit. It had sort of punctured the veiling of authority that Putin has that he's a strongarm sort of leader in response to a crisis. This is a very bad crisis for strongmen around the world. Erdogan, Bolsonaro, Trump, Putin haven't dealt particularly well. Shi She Ping, they haven't dealt particularly well with it, so. And maybe also policy impact on Russia and its geopolitical future.

MS. HILL: Thanks very much, Tom. I'll try to weave all of that together and, you know, obviously Kemal can comment on Erdogan and Turkey after some point in the discussion. And I'm sure Ivan, Amanda, and Giovanna have quite a lot to say on these topics as well.

On the overall picture, you know, I think that we've already had quite a lot of this laid out very well about the reasons for lack of international cooperation. And I think as Ivan was starting to sketch out that by, you know, references to historical events and also some of the polling, that we seem to have kind of come to the end of the long cycle that we've since -- seen since World War II of global institutional creation and activity. It's kind of run out of steam.

And, you know, even the European project is under some question now as well, you know, particularly given some of the points that Ivan made there and showing up in polling of European member states actually seeing some of their own counterparts as sort of threats here and certainly no longer having the faith in the United States as one of the key players in the system that they had certainly after World War II.

I think Giovanna's points about Italy seeing China and Russia as key counterparts and key allies and the U.S. in third place. Even though Italy has always traditionally had a regular affinity to the U.S. even as it's navigated among these other polls is also very telling.

So, in part, it's the drop of the role of the United States. We've been leading from behind for quite a long time. Actually, it's not just most recently we've seen trends over a long period of time here in the United States of kind of reluctance to always be at the forefront particularly of military action, especially after our feelings of overextension thanks to Iraq and Afghanistan.

But also I think part of our problem is and I think we've all been bringing this out as well, is lack of a perceived shared threat. Not just of shared opportunity, but of a shared threat. And, you know, Ivan pointing out the fact that we've had so little in comparison written about the Spanish flu. We've all been in these larger global trends or analyses pointing out to the impact of pandemics and climate change as potentially unifying factors. Well, actually now we've found out that they're not because even in approaching something as a pandemic that ought to be a great equalizer especially as a disease doesn't discriminate and can take anyone at any time. I know we've got differences in the way that different social groups have been afflicted by this. But that's because of our own societal deficiencies, not because of the disease per se. Overcrowding, or, you know, inadequacies in public health and people with underlying conditions that have, you know, been the result of poverty or inability that are emerging.

We have not actually found that we need to have the unified approach to the pandemic. And very similar on climate change. Everything has become politicized. So, I think what we're all bringing out here is the problem of domestic politics. And Amanda touched on that in the U.K. context. Giovanna did in the context of Italy. And Ivan has touched on this in his overview. And, obviously, Kemal can talk about this in the case of Turkey.

So, this is quite an astounding position that we find ourselves in here where we're so, as a large collective on the trans-Atlantic scale, consumed with our own domestic politics that we've been incapable, you know, as we were, the exact opposite we were at the end of World War II, of mounting any kind of coordinated collective defense against the pandemic. And likely to be the case on the case of climate change as well.

This gives me a segue into what I wanted to say about Russia because very similarly to the U.K. and Italy and to the United States, Putin is turning back to domestic politics. As you said, Tom, Russia's actually been quite hard hit by the pandemic. We don't know the full scope. But, in fact, Russia has, you know, made it clear that they have a very high level of infections. It's quite high in a European context. The death rate seems to be lower. And there could be all kinds of reasons for this. But the death rate among healthcare providers, nurses and doctors, has been extremely high. In fact, the highest

recorded just in terms of the per capita deaths.

Obviously, Moscow as a densely populated city, has been hard hit. But there's also been the kind of spread outside of Moscow to other cities and regions that we've seen in other cases. You know, part of the slowness in terms of that spread is just the sheer size of Russia. It remains the world's largest country by landmass. And just as we've seen in the United States, it's taken time for the virus transmission to move out of the major population centers into the rest of the country.

Russia's being hit for the same reasons of poor organization, poor preparedness, lack of PPE, and the same issues that everyone else has had of the outsourcing of the production of key products, key medical supplies. So, you know, we've had all of the same problems.

And as a result of that, the Russian government has been extraordinarily concerned to make efforts to deflect attention away from the weaknesses. And, again, as we've all said that what this pandemic has done is exposed all of the weaknesses in all of our societies and in all of our institutional arrangements. Amanda made that point in the case of the U.K. It's the same as Russia, same with Italy, same with the United States, and with any country, I think, that we can point out in the group that we're talking about.

And Putin had had a very ambitious domestic political agenda in mind. In January, he announced the amendments to the constitution and to the political system providing the possibility for him to stay on as president providing that he's put up for election again and reelected out to 2036. Two more presidential terms. And he has put off for some time, but now wants to put this back on the agenda again this month. And at the beginning of -- sorry, beginning of July. And this month the commemorations for the 75th anniversary of the end of World War II, the big Russian celebration was supposed to cement his leadership as the father of the nation and the leader moving on to becoming, you know, much more entrenched as head of state with a national referendum. That's now been set for three weeks in which they need to have as much of a turnout as possible to vote for these constitutional amendments that would allow him to extend his presidential terms.

So, all of these have been announced again. They've also been announced phased reopenings just at a time when, you know, it's clear that the coronavirus is still not completely under

check.

So, I mean, I'll stop there. But I think, you know, what we're seeing is everyone focusing on the domestic politics and real challenges for dealing with this in any coordinated fashion. You know, sadly every country seems to be dealing with this in its own ad hoc and somewhat haphazard fashion.

MR. WRIGHT: Thank you, Fiona. The domestic politics I think is a great segue to ask Ivan a question about the U.S. election. You know, if Biden is elected in November, I guess the big question is how much of this goes back to the way it was or how much of it goes back to something resembling sort of a normal trans-Atlantic relationship. Or does this crisis really have a different sort of logic to it? It sort of reminds Europeans, as you said, that they are sort of on the road and that the U.S. will be inwardly focused, you know, and America first. Can they come back in 2024? How much of you -- how much of this do you think is permanent? And how is reversible depending on election results here?

MR. KRASSTEV: I do believe that after the elections of President Trump, for one or two years, European, at least European foreign policy elites were trying to believe that what we are seeing is just an aberration of the American foreign policy. So, this is enough for Trump to be out and the relations will go back where they were.

And I believe they're starting to change. And they started to change because one thing that COVID-19 made very clear is certain cycle that started basically with 1945, went through the Cold War and so on and the American-European relations is over. We're in a new period. From this point of view, it's very interesting because President Biden, if he's going to be elected president, is very much somebody shaped by the Cold War. So, Europeans personally feel quite comfortable, I mean, with President Biden.

But one of the things that the Europeans expected from the United States, and this is what we have learned during this long period, was that American presidents change. But American foreign policy does not change much particularly when it comes to Europe. And this assumption is not there anymore.

And also I do believe that there are going to be two interesting developments to watch. Of course, in general, there was a quite strong criticism against President Trump in Europe, but there are

several European governments who basically betted on President Trump. And for some of them basically the elections of Biden does not mean to be very good news. And their kind of a very unified European position is going to be interesting to see how this is going to react. For example, Mr. Erdogan basically made it very much clear he sided within the domestic politics of the United States, which normally Europeans try not to do.

So, how this is going to affect a policy in which Europe is not going to be very much unified and it's not only kind of Viktor Orban. He is simply the most well-known case.

The other thing that I do believe is also going to change is that what idea the Europeans fear is that the United States will go to Europe and said, okay, let's go together with a common front on China. And nevertheless that in Europe there is a major mistrust toward certain things that China is doing. I don't believe that Europe is ready for this. So, from this point of view, paradoxically, you're going to see people who said probably President Biden can be also a problem for Europe because then you cannot excuse yourself with what President Trump is doing.

And hearing the common policy on China is not going to be easy for economic reasons, for political reasons, but also interestingly enough, because not so many Europeans try to frame the world in which we are living anymore basically in a classical Cold War terms. And secondly, what is a mired critically important what this crisis made Europeans particularly nervous about is the irrelevance of Europe. The fear that in certain way, Europe can get out of the picture. That we are basically going to be squeezed. We are not going to have enough choices to make and that this can very much lead to the domestic problem both in the member states, but also in the European Union itself.

So, from this point of view, yes, there are going to be hopes and particularly on climate change. Of course, Europeans are going to expect very much from a Biden administration because Europeans understand perfectly well that nevertheless of what Europe is doing on the climate change, in the absence of the America, nothing is going to change. But from this point of view even, this is also true for countries like China and India.

And on the security front, this is also interesting because as I told you, the country that is very interesting to observe when it comes now to trans-Atlantic relations on the level of public opinion is



Germany. Germany was the most pro trans-Atlantic country. Germany was the one that basically was betting on the trans-Atlantic relations as a coalition of values as economic project as trying to appear of globalization and now you can see the German public opinion shifting away. Probably this can change. The good story about public opinion is that public opinion tries to change. It's not so much an opinion but a mood.

But at the moment, I do believe people are going to make a mistake if they believe that simply because Biden is back, Europe is back in its relations with the United States. Because also it's not very much clear we're back. Europeans used to like President Obama. But Europeans don't like very much the European policy of President Obama.

MR. WRIGHT. Thank you. You mentioned about China, which I think will be it's something we should pick up with our other colleagues as well.

Giovanna, you've recently written a paper on Italy and China sort of tracking the relationship. An excellent paper sort of tracking the relationship between the two and the very complicated domestic politics. It's obviously Italy signed the memorandum of understanding on BRI, but Salvini has been particularly critical of China and sort of taken the Trump position on it.

Giovanna, I was wondering if you could maybe feel free to speak about maybe the impact of Biden if he were to win on the trans-Atlantic relationship, but particularly maybe focus on the China piece and just in terms of what Italy's stance will be. If Europe is becoming more skeptical, if it's becoming more competitive, there are greater investment controls, maybe greater concerns about Chinese money in Europe. Will Italy go along with that or will they push back with other countries that have had a close economic relationship with Beijing?

MS. DE MAIO: Thank you, Tom. Yes, definitely it's the debate is heated. As I was mentioning earlier, there are different views on China. And as you all know, Italy is always struggling with the political instability.

Indeed, looking at the bigger picture of Italy-China relations, it's important to look at also Europe relations with China and in Chinese FDIs in Europe. So, after the signing of the memorandum of understanding, I was actually wondering what was, you know, the rationale behind it and, of course, how

this plays out in the bigger Europe relations with China. And specifically, finding out that, of course, Italy struggles attracting foreign direct investments and also struggles recovering from 2008 not just the economic crisis, but also risk adverse attitude for Italian investors to actually be able to boost economic growth, domestic economic growth. And that's why looking at China is actually has been for many entrepreneurs in Italy in many sectors from fashion to technology to also soccer, for that matter, looking at China as one of the most visible options for not disappearing.

And looking at the regulations that are in place, and if you look at how, for example, foreign direct investment in Italy are way lower than the ones the Chinese foreign direct investment in Germany or France. It's also important to see the opportunities that Italy sees in it, but also the regulations that are in place in terms of protecting Italian national security and national and assets from Chinese influence.

And there is the so-called golden power rule, which actually allows the government to veto any investment coming from a foreign country that risks to threat national security. And then it's in place and it has been recently extended to the telecommunications sector. So, it's specifically targeting 5G. But, of course, this is highly contingent on political will. There is no independent committee that can actually veto foreign direct investment as it happens in the U.S., but it's highly dependent on what the government that is in power what is the power struggle between the government coalition in this case.

And looking at how this plays into Italy's relations with the U.S., it's important to note that for now as far as the COVID-19 impact, there is no more that sort of big fascination with China as it used to be before. Even Five Star movement there has been very much pro-China has kind of shifted a little bit towards a more pro-EU approach because, of course, of economic needs.

But at the same time, there is a huge concern from the U.S. side especially after the withdrawal of troops from -- like the order withdrawing troops on Germany that actually threatens Italy's geopolitical projection because Italy hosts the, you know, high after Germany, the highest number of U.S. troops. It's 14,000 units of DOD in Italy. And it's the second largest contributor after the U.S. of to NATO out of area operations. So, sending the signal of disinterest from Europe and for European defense also sends a message not just to Italy in terms of trust, but also to U.S. competitors of just Russia and China.

And I'll stop here.

MR. WRIGHT: Thank you. And we've gotten a couple of questions from the audience. So, we'd encourage people if they would like to ask questions, to use the #BBTI.

Fiona, I think these are sort of directed toward you, so, I'll read them out. One, is how the bipolar nature of U.S. relations with Russia such as withdrawing from Open Skies and putting pressure on New START while also offering Russia the opportunity to rejoin the G7, how is all of that seen in Russia? It's seen in Europe -- excuse me. How is it seen in Europe? And does it complicate trans-Atlantic solidarity in response to threats and challenges from Russia?

And then we also have a question, which you could address or anyone can address on the panel from Seth Johnson who notes that previous upheavals in trans-Atlantic relations often lead to the creation or modification of international institutions such as the emergence of the G20 and the financial crisis, or the transformation of NATO after 911, or the expansion of the EU after the Cold War. And his question, Seth's question is will the impact of the pandemic also fit this trend? And if so, what changes to international institutions are likely to be most successful? And this, I think, it's a little bit wrapped up in the discussion we had in the first session on perhaps more sort of decoupling or diversification or like-minded countries working together. But, Fiona, if you'd like to take one or both of those and then we'll go to Amanda and Kemal as well.

MS. HILL: Thanks so much. Those are great questions. And I think they're kind of interrelated because, you know, again, I mean, Ivan and I and others are all touching on that same theme of the end of that long cycle since World War II.

I think that last question of Seth's is really framed by as we're saying the trans-Atlantic, and this is, of course, the theme of our discussion today. Trans-Atlantic frame, which was the main frame from World War II to today. And, you know, we've been talking about Putin wanting to celebrate the 75th, you know, anniversary of the end of what Russia calls the great fatherland war. I mean, our idea of World War II.

But, you know, the pandemic is truly global. And, you know, we've moved into a different phase now. We're talking about the shocks of globalization and all of the impacts that this is having on

domestic politics. I mean, Giovanna's, you know, very cogent discussion here of how China has become a major factor in Italian politics. It might have been a major factor in Italian politics, you know, back in the day of Marco Polo, but I know it certainly hasn't been for an extraordinarily long period of time, you know, since the end of the old, you know, silk road and, you know, that tread.

And although China ended up in the permanent members of the United Nations Security Council at the end of World War II by, you know, de facto at that point really being part of the victors at the end of the war because it was partly contested territory. And then, of course, you know, China develops the nuclear weapons. It's taken a long time for China to actually rise up to that position. And a lot of that is being as the result of the deficiencies, frankly, of the trans-Atlantic allies.

So, in terms of, you know, Seth's question. I'm not so sure about how much of the old trans-Atlantic institutions are going to be really impacted by the global pandemic. You know, obviously, the World Health Organization that, you know, the United States is, you know, turning itself around the axle on at the moment, was one of the products of the World War II institutional creation to try to deal with all of the impacts that we had from the end of the War including health crises. It was meant to be global and I'm sure everybody else can comment on this as well. But it was, you know, very much dominated by the big players including the United States again underpinning this financially. And we've now seen that the U.S. is no longer willing to take that kind of stance.

And, you know, picking up on Madeleine Albright's idea of, you know, the U.S. is the indispensable power. We actually seen it when the United States does take away funding and, you know, moves away from its support for these institutions that they go into crisis. So, we're in a larger crisis, you know, as Ivan is mentioning here where the United States is moving out of its previous role. And we're already seeing, you know, no one else coming up to take its place. So, I actually, you know, think there will be a very different set of institution arrangements that will come out of this. And, you know, we'll have to, you know, kind of still wait to see, you know, how things play out over the longer term.

And this is actually where the whole bipolar niche of U.S.-Russia relations also fits into. Obviously, that's been a very important factor since the 1980's in terms of arms control and the efforts to find a way of moving forward on nuclear relations.

I'm very sorry. I hope everybody can't hear this, but my daughter and the dog this kind of gets to show the inability of anyone to control events. The dog's barking, my daughter's shouting at the dog in the background. I think that's kind of somehow seems emblematic of (laughter) problems that we're --

MR. WRIGHT: Per moment.

MS. HILL: Yes, I have no control over anything anymore. So, the sleeping dog is no longer sleeping and is now barking everywhere.

The, you know, the U.S.-Russia nuclear discussions or the old treaties, Open Skies, you know, START and everything, the INF and what comes next are all taking place in a much more complex multi-polar world. China has not yet risen to the same level as the United States. And Russia in terms of its strategic arsenal, it's still considerably, you know, far behind. But it's obviously moving apace. China is a major player in the intermediate nuclear forces. Obviously, the whole balance in the Asia-Pacific is dominated by perceptions of China and what its role might be and what China may be thinking about nuclear weapons. But we've got so many other nuclear players. And we have, you know, countries like Turkey. You know, there's often talk about wanting to have their own nuclear arsenal as well. Not just be the host of U.S. tactical nuclear missiles.

So, we have to really kind of factor in there about how we deal with this much more complex multi-polar system. And that was really where we were headed off over the last several years. And I think, you know, in terms of Russia's perspective on this, there's still a role to play. The U.S. and Russia still have the largest strategic arsenals. But that is also, again, an old Cold War frame.

And I think, you know, what Ivan said about the, you know, the possibility of a Biden presidency and the idea of, you know, going back, it's impossible now. We are no longer in a 1980's world. We're not in a 1990's world and we're not in a 2000's world. And even in the world of the 2010's is gone. We're in a whole new phase, so everything is going to have to be rethought. How it comes out is I think all up for debate.

MR. WRIGHT: Thank you, Fiona. So, we just have about five minutes left and I'd like to go to Amanda and Kemal before we finish up. And, Amanda, you know, feel free to address those

questions from the audience. We also got a couple of additional questions in. Noah Barkin from the German Marshall Fund asks for a sense for how the Biden administration would approach trans-Atlantic cooperation on China, clearly the tone would change. And Noah says, but would you expect a push for structured or comprehensive U.S.-EU dialogue on China and would a broader D10 approach make more sense? What about the future of the China debate within NATO?

And Kemal, this question is for you from Kay Charinski (phonetic). You mentioned, she says, that ideally countries should help refugees in their double emergency by adopting a shared burden response to absorb and help refugees. Do you think, she says, this is realistic considering the backlash across Europe from Germany's open-door policy in 2015 and the subsequent solidification of external EU borders, which is common today?

So, two quick questions there. Amanda, maybe you could take the China one from Noah. And maybe also just address this change in British foreign policy over the last few weeks even with Hong Kong with, you know, over 5G where, you know, the U.K. used to be very, very accommodating toward China and very engaged in Cameroon and even, you know, Boris Johnson spoke about much greater relations post-Brexit with China. But now it seems to be in a very different place. So, could you maybe just give us your thoughts on that, please?

MS. SLOAT: Sure. I think China is going to remain a difficult issue for the trans-Atlantic relationship. I think that there is becoming bipartisan concern here in Washington about China. And so, I think for a lot of people in Europe, there is a recognition that the democrats are not necessarily going to be taking a softer position or a more nuanced position on China even if the rhetoric of a new administration would be softer on this than what Trump has had. And so I think Europe is going to find itself in the same situation in terms of being pressured to try and respond to some of the threats that the United States has identified.

And some of this gets back toward what Ivan was saying, which I think is a really real concern within Europe about the potential of either becoming irrelevant or about being squeezed between the United States and China and being seen as having to take sides. And some of that relates to Tom's question then about what's happening in the U.K. Boris Johnson, as Fiona was alluding to, is suffering

from domestic politics. And for him, there's this very real imperative to try and develop and deliver on an effective political and economic system within the U.K. post-Brexit to show that it was worthwhile.

One of those goals has been try and get nationwide Internet broadband by 2025. And so that was part of the rationale for going forward with Huawei, which was an existing technology and a way of delivering that much more quickly. Obviously, there was a lot of resistance coming from the United States on this. And, Tom, as you alluded to, you have seen the U.K. within the last couple of weeks talking about the possibility of wanting to get Huawei out of their Internet system completely now by 2023, which helps fulfill that geopolitical aim of dealing with China, but is going to create problems delivering on this domestic goal of getting nationwide broadband by 2025. So, it's a very real example of where geopolitics and national domestic politics are intersecting.

The U.K. as you said, is also getting very caught up in this broader situation within the U.K., or within Hong Kong given Britain's own colonial legacy there. The U.K. coming out relatively quickly with the U.S., Canada, and Australia on a situation dealing with -- a statement dealing with the security law in Hong Kong and also especially interesting in the context of Brexit, where so much of that was influenced by immigration coming out and suggesting that upwards of 2 million people in Hong Kong who have the right to get passports in the U.K., because of that pre-'97 status, could potentially get extendable visas within the U.K.

So, I think Boris Johnson is facing a much murkier situation in terms of China than where he was before in terms of dealing with some of the historical legacy dealing with some of the geopolitical implications of what's happening on the ground there dealing with a very real interest to get a trade deal with the United States with the subject of Huawei and British relations with China continuing to come up in bilateral trade talks that are going on. As well as the domestic economic imperative to try and deliver on social services in the wake of Brexit.

MR. WRIGHT: Amanda, thank you. Thank you very much for that. And, Kemal, the last words to you really. We only have a couple of moments. So, --

MR. KIRIŞCI: Okay.

MR. WRIGHT: -- we'll try to keep it brief. But, you know, the question is basically Europe

is basically done with, you know, the refugee crisis. There's been a crackdown after 2015. So, why should we expect this time to be different? Why do you think Europe is capable of maybe a more sort of enlightened generous sort of approach to this issue?

MR. KIRIŞCI: That was a very good question. And I suppose it's not very realistic to expect that kind of cooperation. But I'd like to point out how this particular issue is also very much linked to what Fiona called the end of a long cycle. And that it is a manifestation of how the values that the European Union had long stood for is weakening.

And within the European union, I see divisions. On the one hand, I think the EU as such its institutions, both the European parliament and the commission would like to take let me call it a more generous, a more cooperative position on immigration in the broader sense and refugee issues in the more not over sense of the word. But member states are very much divided amongst themselves often driven by domestic political considerations.

But on the other hand, there is also this problem out there. A real problem. A burden that needs to be shared and if not shared, there could be consequences on the European Union's own security concerns. We saw that manifestation of it in 2015, '16 crisis. And it impacted domestic politics in the European Union tremendously in a very major manner and undermining the values that I made references to.

The way I see it, I think in the European Union, there are circles, actors wanting to be more cooperative on this issue and then there are others who are resisting it. And we see that with respect to the Minister Donohoe pointed out how solidarity came forward with respect to stimulus packages after some hesitation. But when it comes to sharing the burden of refugees within the European Union, there are problems. And very recently, the European Court of Justice ruled that Poland, Czech Republic, and Hungary were in violation of EU rules and decisions and regulations on that issue.

So, before I end, Tom, with your permission, I need to say a very quick couple of words about Turkey and the geopolitics of all that.

MR. WRIGHT: Yes, so, Kemal, we're just about out of time. So, maybe just 30 seconds on Turkey.



MR. KIRIŞCI: Yeah. Yeah, I think on Turkey, Turkey was a solid ally of that long cycle that Fiona made references to. Now, what we're seeing is a Turkey drifting away. But on the other hand, economically very much tied, still tied to the West, but a government that is resisting it.

It handled the pandemic crisis reasonably well, but opened up early. Early in June number of cases were down to under 800. And yesterday, they were double that number almost 1600. The economic situation in Turkey has driven the need to open up the country from the pandemic lockdown, but the solutions to the economic problems of Turkey lie very much in closer cooperation with the old west, let's say. But that cooperation is not there. And I think it has a lot to do with that end of the long cycle creating lots of challenges for Turkey, but for its previous allies as well.

MR. WRIGHT: Thank you. Thank you, Kemal. Thank you and sorry to cut you a little short. It's just a sign of the terrific discussion that we're basically beyond our time. But I would like to thank you, Ivan, Giovanna, Fiona, and Amanda, for a wonderful discussion.

We're going to move directly into our third session, which is on practical areas for trans-Atlantic cooperation during and after the COVID-19 crisis. And I will transfer to my colleague, Jim Goldgeier, who is a professor of international relations at the School of International Services American University and also is our Robert Bosch nonresident senior fellow at the Brookings Institution. So, Jim, thank you for doing this and I will hand it over to you to introduce our next panel.

MR. GOLDGEIER: Thanks so much, Tom. What a terrific panel you just had, and really looking forward to our next group starting up. And they are coming on to the screen right now. As Tom mentioned, I'm Jim Goldgeier, Robert Bosch senior visiting fellow at Brookings. This next panel is called Prospects for Trans-Atlantic Cooperation after COVID-19.

And we're joined by four terrific colleagues. Celia Belin, Visiting Fellow at the Center on United States and Europe at Brookings. Mark Leonard, the Co-Founder and Director of the European Council on Foreign Relations. Molly Montgomery, non-resident fellow at the Center on the United States and Europe at Brookings and Vice President of the Albright Stonebridge Group. And Victoria Nuland, non-resident senior fellow, Center on the United States and Europe and Senior Advisor to the Director of Foreign Policy at Brookings and also a senior counselor at the Albright Stonebridge Group.

I have asked each panelist in advance if they could kick things off with one thing they'd like to see put front and center to help rebuild the trans-Atlantic relationship. And if they can, also say concretely how they would pursue that objective. And so we're going to start with Celia and then go on from there.

MS. BELIN: Thank you, Jim. Thank you for having us today. A thank you to Bosch and Brookings for organizing this great half day.

So to answer your question, Jim, I've thought about what is the one thing that trans-Atlantic allies should do post-COVID, and I think that's not exactly the question because the first priority should be to overcome the COVID crisis, first and foremost. And I don't think we are at this stage right now.

So the priority to rebuild the trans-Atlantic relationship is also to get out of the crisis should be that Americans and Europeans should work together on securing a universal access to tests, treatment, and vaccine. And Europeans by in large have supported UN efforts to do so. You know about the Auxiliary Initiative at the UN, which is an initiative that is put together with the WHO, with Gabby, Unitaid, but also the Gates Foundation, and a whole lot of public/private partnerships, pharmaceuticals and labs. And the goal there is to accelerate the development and the production of tests, of treatment, and of vaccines, and to ensure a just distribution.

And I think the U.S. has to get on board. So far it has been resistant to do so but it would be a building block for healthier trans-Atlantic relationship as well. I think it's not just the moral thing to do, but it's also based on self-interest because no one can be really immune to the virus until there is a place somewhere where the virus thrives.

So after the previous panel where we saw most of our colleagues, Ivan, Fiona, Giovanna, Kemal, talking about the sort of crisis of leadership of the U.S. and the difficulty there is to trust the U.S. again. I think the only way to get back in the game, and particularly in case of a change of administration, but in general, would be for the U.S. to get on board with the collective coordinated multilateral response to the crisis.

In a second phase I think beyond the immediate pandemic that we are in, there will be

questions, larger questions of trans-Atlantic cooperation to build a new growth model, a new economic model for the trans-Atlantic sphere that is based on more resilient society, that is based on diversifying of supply chain, that is also tackling the most important global challenges that will come up, including climate change.

And then reinventing the world order. But that would be the third step, right? And maybe this will only come once, you know, all their multilateral type of response are really taken on board by both Europeans and Americans, and putting the stones for building this new world order.

I'll stop there, and happy to continue on on those ideas.

MR. GOLDGEIER: Okay. Thanks so much for getting us started here. And, Mark, we'll turn next to you now. Welcome.

MR. LEONARD: Thank you for inviting me to take part in this. So it's pretty obvious what the one thing which Americans can do to improve the trans-Atlantic relationship is, which is to vote for Joe Biden in November. And once that happens there are a bunch of different candidates for things that Biden could do which would improve the relationship, you know, starting with global trade, a joint agenda to save the WTOs accolade body working out common reform agenda, rejoining Paris climate accords, helping to come up with a common approach towards Russia, which includes containing Russian aggression, finding ways of engaging Russia on neighborhood security problems, returning to the JCPO area and working with Europeans to help get around to start complying, possibly coming up with some sort of digital tax agreement so that that doesn't become a festering issues, removing the kind of structural irritant of secondary sanctions which make Europeans feel that global public goods are being instrumentalized and weaponized and turned into instruments of American foreign policy.

There's a long list of things you could do, and I was talking to my colleagues about what they would start with and how to go forward. And then got around to a conversation with Jeremy Shapiro, who she has a Brookings as well as a ECFR, and he said that you're asking us all the wrong questions because you're treating trans-Atlantic relations as an end in themselves rather than a tool to protect the interests and to improve the lives of people on both sides of the Atlantic. And that the right question to ask is not how to improve trans-Atlantic relations, but how could trans-Atlantic relations be most useful in

helping Europeans and Americans meet our foreign policy goals.

So if you're answering that question then, you know, it seems to me that the big question is to do with China. It's obviously been the biggest issue for the U.S. for a long time now, and increasingly it's for Europeans. But the prospect of finding a joined up approach in the longer term does seem very complicated. Because from a European perspective that does mean essentially coming to a shared understanding of how to push back on the Chinese model of political economy is the coming together of the made in China 2025 with trying to stand as 2035 and the Belt and Road Initiative doesn't just change the nature of globalization in an uncomfortable way within the Chinese market, but threatens to export the Chinese model of political economy to every single economy in the world and create an unlevel playing field, which we're all kind of dealing with. And that means that there is a sort of huge agenda which one could work together with, and I think that's been a big change in perceptions of China in many European countries recently.

But at the same time I think there are enormous differences of interests between Europeans and Americans. And that's why actually at the moment most Europeans want a less rather than more joined up approach to China because they're scared of getting sucked into an unwinnable quest to maintain U.S. military supremacy in the Northern Pacific.

And I think that question about what our respective visions with the ultimate world order are, and how to get there is going to be the key to finding a new agenda for the West and for the trans-Atlantic relationship. But it is something which is much more complicated than simply replacing the current incumbent in the White House because there are some fundamental structural question which underlie the easy part of our China policy, which is getting tougher. Because I don't feel that there is a sort of shared sense of where people want to land in Washington when the rest of the U.S., even though everyone is agreed that we need to move towards a more kind of robust and less faith-based convergence wage and model of policy towards China.

And on the European side I also don't think that there is a realistic idea of what kind of world we want to live in given that the sort of multilateral tangent paradise which most Europeans would like to live in, seems quite difficult to realize, you know, while Putin is sitting in the Kremlin and Chi Jen

Ping's in Jom Lin High (phonetic) and Modi is in India and Erdogan is in Turkey, not to mention the current incumbent in the White House.

MR. GOLDGEIER: Great. Well thanks so much, Mark. And thanks for getting Jeremy in there to critique us from the sidelines, that's excellent. It's always good to hear from him even if indirectly. And great to hear your thoughts on China and how that fits into the trans-Atlantic relationship, which I believe Molly would like to continue that focus of the conversation.

So, please, Molly, over to you.

MS. MONTGOMERY: Thank you. Thanks, Jim, and thanks to Brookings and Bosch for putting on this great event. I've really enjoyed the panel so far.

I feel like Mark's stolen my talking point, so I will be fairly brief. But I wanted to start out by just highlighting a couple of obstacles. Because I think it's absolutely right that we need to think about trans-Atlantic relations, both as an end unto themselves, but then also where do we go from here?

And I am definitely concerned that as we look to the end of 2020 and into 2021, there really are a lot of headwinds in terms of trying to turn the page. So obviously the European Commission wants to be more geopolitical. I think it's still trying to figure out what that means. But also is very much interested in trying to defend the single market, enhance competition, etcetera.

Where that really comes to a head beginning at the end of this year is with the digital agenda. And so I think we all should keep an eye on that as we move forward. In the fourth quarter of this year we're going to see a number of initiatives coming from Brussels that are going to lead to a real fight between U.S. tech giants and the European Union.

And so as we look to potentially a new administration in January, that's going to really leave a very small needle to thread in terms of trying to change the tone of trans-Atlantic relations while not appearing to be a pushover on U.S. interests, and at the same time dealing with all of these very thorny issues in terms of disinformation and online harm, test issues related to the digital economy, liability, competition, etcetera. And so I think that digital agenda is going to be something key as we look at how does that U.S., even in a new administration, approach that so that it isn't allowed to become a huge stumbling block.

The other thing I would say is trade is, as Mark said, something that we need to keep an eye on. Because certainly there's likely to be a change in tone, and I don't think from a Biden Administration we would see the kind of rhetoric on tariffs, etcetera. But are we willing to recommit to a multilateral framework, are we, as Celia talked about, trying to find a new way forward, and are we really looking to do that together rather than just focusing on the festering bilateral trade irritants that always exist.

And so what I would say is that the U.S. and Europe are always best when we're focused on our shared values and when we have a common goal. But it's external to the trans-Atlantic relationship. And in that I really agree with Jeremy. And I absolutely agree, Mark, that that shared goal needs to be basically China. There clearly are difficulties in terms of finding that shared perspective, as Mark mentioned, both in terms of the military component in the U.S. and I would say in the EU on the participation of an increasing number of member states in Belt and Road who have an effective veto over EU policy.

But if we look at finding a shared way forward on China, as an overarching theme of improved trans-Atlantic relations, it really does incentivize us to find ways forward on digital issues, on trade issues, on other thorny issues that are going to be more collaborative than adversarial. And I think that's really important as we look to really turn the page, to change the tone, and to try to develop some trust and positive muscle memory on both sides of the Atlantic moving forward.

MR. GOLDGEIER: Great. Thanks so much, Molly. And, Toria, over to you.

MS. NULAND: If I can learn to unmute my audio. Good to see everybody, particularly Mark from across the pond. Glad we've got some gender diversity on this panel as well.

Look, I agree with everybody that rebuilding trans-Atlantic relations is urgent, it's mutually beneficial, and frankly it's existential now if we want to ensure that the global system that we built together continues to favor free nations, free trade, and the values that we share, and is not high jacked by others with another agenda.

I think the most existential issue, the most urgent issue is that we build back better together in a way that is greener, that is more innovative, and that addresses the income inequality that

has begun to corrode confidence in our democratic systems and at the end of the day, thank you, Jeremy, yes, it's about a commitment to shared prosperity and shared security and a belief that we are stronger together.

I obviously agree with Mark that it would help if the incumbent in the White House believed in those things. And as long as we have somebody in the White House who believes that America has been ripped off by Europe rather than sharing these fundamental objectives, goals, and requirements, it's going to be very, very difficult.

That said, look, I think as we look at the economic rebuilding. We have not done as well as we could have with covid relief funds because we didn't coordinate the fiscal and financial and monetary response. So, you know, getting back to a place where we are working together on creating the environment for economic growth for stimulating our businesses, where we are harnessing technology together in affirmative ways for small business, medium business, for innovation, getting more of the have-nots into the tech economy, whether it's stimulating Broadband, whether it's retraining and job growth, and where all of these things are as green as they possibly can be.

And there I want to salute what Europe is doing in tying relief funds and giving incentives for green rebuilding. And we've seen the U.S. states try to be a partner to Europe in that. And I also think it makes it harder for China to compete when we do all these things well together.

Obviously the other two issues, technology and China as addressed by others. On the tech side, I do not think that it is an insurmountable issue for any American president to have a strong conversation with Europe, with the democracies of Asia about an appropriate regime of responsible regulation, taxation, responsibility, innovation, disinformation, blocking of incitement, and set up left/right limits in partnership with the technology companies and with the best researchers on this so that we protect a digital economy that favors free nations, and block and tackle the effort by authoritarians to exploit this potential major driver of growth, of equity, of strength for our democracies. But we have to be committed to that as part of our shared prosperity and our shared security, and it requires U.S. leadership. And it's not the right approach for Europeans to, you know, try to squeeze the U.S. companies to the wall, and it's not the right approach for the U.S. companies to do as little as possible

until they're forced. It has to be looked at as a whole.

And similarly on China, I don't think anybody's going to ask Europe to help defend the Pacific, at least not now, at least not in a non-war circumstance. But by the same token, if we don't have a joint approach to state-owned enterprises, to competition, to transparency, to reciprocity, there's no reason for China to stop trying to change the rules of the road and to stop trying to eat free nations from the inside by buying and acquiring their technology, their infrastructure, etcetera.

So here again, you know, if the Trump Administration had accepted Europe's offer to enter the trade talks together, the U.S. economy would have suffered less, we would have been able to work together with Europeans on left/right limits for Chinese economic engagement in our markets, and we would have begun this process of coordinating a regime that allows China the legitimate benefits of engaging with the international system but doesn't allow them to change the fundamental rules along the way or corrode democratic principles.

We may not get that electrical change so, you know, picking up on where Molly was, I do think that Europeans have to think about how they want to use this year and how they want to position themselves for whatever comes in January 2021. And I share some of the concerns that Europe needs to be careful not to copycat the bad habits of the Trump administration. In other words, as it looks at industrial champions, as it looks at industrial policy, as it looks at the deal with the UK, as it looks at the deal with the U.S. We should be favoring open markets, freer trade, not building walls between ourselves. Because that is just going to allow us to be a feast for the authoritarians rather than to strengthen the system that we want them to adhere to.

So we just need to be careful there, and similarly on the Digital Services Act. It would be a wonderful thing if Europe could use this time where we're trying to figure out where we're going to set the standards for greener build back, to set the standards for appropriate technology regulation that we can slip into and join as a good conversation in January. But there are also risks that Europe is not itself committed anymore to free trade, free people, free markets, free global system, and that it will learn these wrong lessons.

And that takes me to the last point, which is simply defending democracy within Europe.



I think you would see a Biden administration care a whole lot more about the quality of its allies' internal defense of democracy, whether it's in Turkey or whether it's in Hungary or Poland, and be more assertive with Europe as we seek to rebuild those strengths inside the United States, that we need to rebuild them inside Europe too.

And then the three-legged stool of the U.S., UK, and the EU, which has to be, particularly on the security side, thought of as a new form of collective. Thanks.

MR. GOLDGEIER: Great. Thanks so much, Toria. And we have about half an hour left before we will turn things over to the next session. Just a reminder that folks can use the hashtag BBTI or email events at Brookings.edu to ask a question. And we do have some questions coming in that I'm going to use to help flesh out some of this discussion.

We had a question from Robert Moreland, former MEP. Is the only answer a change of president? And, Celia, I want to sort of add on to that question slightly, which is, you can answer whether it's only a change of president that is the answer. But even if there's a change of president, that's still not enough. I mean given where things have gone in the trans-Atlantic relationship, even if there's a change on January 20th, it's not going to be sufficient for the United States to say "We're back, so let's rejuvenate trans-Atlantic relations." What do you think Europe, and France in particular, will be looking for from the United States in terms of recognition of what's been done to the relationship over the last several years?

MS. BELIN: Of course a change in president would help, let's be frank. At this point there's such difficulties and such an amount of irritants both at the moment but also long term, that have built under the Trump Administration that I think a change of president and a change of team behind the president would help. And I think at this point European powers are actually hoping for it, let's be frank.

However, there's also a recognition that some of what happened in the past three years will not be forgotten. And the longer conversation about the evolution of U.S. foreign policy. So first of all there's a few constants that I think we can expect from U.S. foreign policy whether it's a Biden or Trump Administration that Europeans will have to recon with.

For example the increasing rivalry with China and the fact that Europeans are all too often expected to follow, expected to be on one side, and are monitored for picking a side rather than this

China policy being built together, as Mark said and as Molly said, as a goal for building a new world order together with partners and not just Europeans expected to fall in line.

I think there's a question on the, you know, the arch of the crisis that the French are particularly interested in but Europeans in general, along with Sahel and the Middle East Region on whether Americans would be supportive and engaged in n counterterrorism efforts or in securing a prosperous and safe Middle East. There has been talk at all levels, both on the Republican side and the Democratic side, there is a disinterest, I believe, for this question, that the question will be put back on what will be U.S. engagement on this.

There's also a question, a simple question of, you know, depleted administration that a lot of colleagues here at Brookings that know very well, the State Department and other phases within the administration explain there's a lot of rebuilding to be done so as to be able to have an efficient U.S. diplomacy sort of back on the world stage. And until that's done, and that's probably going to take a while, and there's going to be, you know, domestically focused interest on the part of this administration I think it's going to impede efforts by the Biden Administration if it wants to sort of reengage in the world.

But my last point, and I think what's really expected of the U.S. at this point is really a reengagement into multilateral organization, into multilateral institution, into the kind of institution that will outlive a simple administration. Because one of the lesson that we've learned for the past 20 years is that there is such a pendulum swing between administrations, depending if it's the Republican sort of more neo-conservative administration that is trying to promote democratic approach, or a Democratic administration that is, you know, pivoting to China, to then another administration that will impose its nationalistic and protectionist to foreign policy. That whatever is expected of another yet administration will not be trusted as durable, will not be trusted as sustainable option for allies to engage with. Because once again, it could be just defeated by the next administration coming along.

So who at this stage, whether it's the Iranians or whether it's Europeans, who would engage in the bilateral discussion with Americans anymore? I think it's not going to happen. And so Americans need to fully understand that, and understand that institution multilateral organizations would serve their purpose and help them, even if they are difficult to build, even if sometimes they don't serve

their interests, even if we're talking about criminal justice that might, you know, get them nervous.

There's a lot to say about the amount of sustainability that they would bring to their own interests in reengaging, you know, having a clear, if we take this only health issue, having international health regulations really put in place and strengthened with inspections, for example, would prevent the next pandemic or at least allow for more transparency and less manifestation maybe by less transparent actors.

Or if we have more de-escalation mechanisms and, you know, as to more peace security level, that would prevent also future crisis to unravel, and just dependent on the good will of the American president.

So by in large, I think there's a recognition of two large a pendulum swing, and Europeans would really expect and hope for the next administration to understand that fact.

MR. GOLDGEIER: Great. Thank you. Well of course one of the major institutions that the United States helped to found and has played such an important role is NATO. And, Toria, we have a question from Andrea Dare that I'm going to build on. The question is, what are the prospects of joint and strategic reserves for medical supplies.

And I just want to build on that. We saw that NATO played some role in airlifting supplies. When we talk about these sort of broader definitions of national security, to include health issues, and going back to Mark's earlier point via Jeremy about thinking about making the case for why trans-Atlantic relations serves the interests of the United States and the Europeans. How do you see us, and have you seen people in the United States who believe NATO has an important role, making that case for NATO as it goes forward? And do you see it playing a role in these broader issues, for example strategic reserves for medical supplies, or is that for a different institutions to deal with?

MS. NULAND: Well as a former NATO ambassador and somebody who spent six years working in the organization, I'm always going to be a NATO champion. It is the only standing body where the U.S. sits with Canada and all of its major democratic European partners, and now the UK as it pulls out of the EU, in a permanent conversation, not simply about hard security issues, but ideally also about all the strategic challenges that we face together.

And I believe that NATO should be a format where we do more talking about China, where we do more talking, frankly, about economics even though NATO doesn't have competency on it. And about a broader definition of security as you've noted here, Jim, which includes public health.

However, I've also long been a fan of greater NATO/EU collaboration coordination. Way back in 2007 in a speech in Paris with George W. Bush's agreement, I called for a NATO/EU fusion center because in the European context it is the EU that has competence over health, has competence over innovation, has competence over economic issues. And frankly, we need to, as a democratic family, be pulling all of these tools of the trade together if we're going to strengthen ourselves and prepare for the next crisis, no matter where it comes from, it's not going to be a simply hard military crisis as we've seen.

So if we could get over the great Turkey objections, and frankly I think this should be a major demand of the United States and of the UK, we could move more of our trans-Atlantic conversation to an entity, a NATO/EU fusion that would have both all members and all the tools. Then you get to the question of how do you include Asian allies, the Asian democracies, Japan, Korea, Australia.

I would also like to see the G7 have some standing capacity, not just come together when foreign ministers meet three times a year and finance ministers meet, or heads meet, and have some permanent conversation there. I think all of these things are essential for ensuring that we as a free community defend what we have, advance it, strengthen our communities and our societies and their commitment to what democracy brings, and block and tackle authoritarians.

Last point on NATO, no matter how easy it is in every generation and every decade to bash NATO, it is the only multilateral organization that has completely changed its missions, its outlook, its tool kit, to adapt to changing circumstances. First going into the Falklands and then going into Afghanistan, then getting into the training business, whether it was in Iraq or in Afghanistan. And it's proven its resilience to do that.

When Celia talks about a renewed U.S. commitment to multilateralism, I think multilateral institutions that actually pay security and prosperity benefits as the WTO did, as NATO has, are some that we will certainly want to reinvest in, but not just for the sake of saying that we're trying to solve a problem or to buy time for the authoritarians to stall, as they do in the UN, as they do too often in the WTO, or to

take lowest common denominator justice, which is often unfair and unjust.

MR. GOLDGEIER: Great. Thanks. So, Mark, Toria mentioned NATO/EU collaboration, and especially from her perspective as a former U.S. Ambassador to NATO. What does NATO/EU collaboration look like from your perspective and even sort of a more enhanced U.S./EU relationship? What do you think is the appetite in Europe?

MR. LEONARD: I think the Europeans obviously are very keen on the status quo and to being able to benefit from the American security bank here with only minimal investments in their own security. So the closest they can bring things to that the better for many member states.

However, I think that Trump has been very successful in creating a degree of uncertainty about American security guarantees, which has actually led to quite a healthy discussion about European defense, which has still been somewhat symbolic and more focused on the defense industrial side rather than actually building real capabilities.

And I think that now that covid's come, you know, it might help Europeans meet that 2 percent target simply by shrinking the size of their economies. But I suspect this isn't going to be the number one priority in many countries as part of their reconstruction and rebuilding. But I do think that from an American perspective, you know, having a more capable and grown up and integrated EU side would be very helpful. But that is something which is going to be a sort of long-term project. Brexit ultimately makes it that much more complicated. The British government is very reluctant to enter into institutional corporation around foreign policy and events it sees with the EU. So the nature of the UK/EU relationship is going to be relatively unclear. But that might actually in a strange way, enhance the importance of NATO because it is the one institutional structure where Britain and the EU 27, I don't know if it's all of the EU 27, but a large number of the EU 27 countries, are sitting.

But, you know, I think what this shows is that we're going to have to have quite complicated, messy arrangements both to deal with the intra-European questions and to think about the U.S. questions. But NATO hasn't been a particularly useful forum for the strategic conversation which we need to be having about the nature of the world for a long time now. It's been a very useful tool kit for different players. And Turkey's role within NATO's also another complicated factor which makes that

strategic political dialogue between Europeans and Americans more complicated and makes NATO a less obvious place to have it at the very highest levels.

So I think it's quite a complicated question to answer, which is why I've been rambling for a long time. Because we have to sort of keep structural changes to the nature of the world and global order, which we're all trying to digest. That going hand in hand with what I think is going to be a very important reworking of how globalization works post-covid.

And then you have this sort of internal politics both in the U.S. and in European countries which is leading to quite different ways of framing these issues. And those internal political conversations are still working their way through. Brexit is one component of that but the politics in lots of EU member states are also very much up in the air. And I think that's sort of the nature of the answer to your question will depend a lot on whether Emmanuel Macron is still sitting in the Elysee, who's running Italy. Because you could see, you know, various quite different scenarios on the European side as well as in the White House.

In the absence of a clear answer to that it's difficult to know whether the NATO debate is going to go forth because it's unlikely to lead to the sort of reinvention that Toria's talking about if Trump wins the election or if some of these other people win the elections on the European side.

MR. GOLDGEIER: Thanks so much, Mark. Molly, one issue that we really haven't addressed yet in any detail is Russia and how Russia figures in either as a vehicle to foster greater U.S./Europe collaboration or as a vehicle for undermining U.S./Europe collaboration. And wonder if you could speak for a few minutes about that issue from your perspective.

MS. MONTGOMERY: Absolutely. Thanks, Jim. You know, I would say it will probably continue to be both moving forward. And I think we've seen that tension play out in a number of ways over the last few months. Whether you look at what has played the de factor rollover of EU sanctions, which are parallel to the U.S. sanctions related to Russia's invasion of Crimea and Eastern Ukraine in 2014. You know, you see there that there is continued solidarity and a desire to impose costs on Russia for continued bad behavior with respect to Ukraine.

At the same time we definitely have seen an anticipation of cooperation between the

United States and European partners as well as I would say between European partners and Ukraine, on the way forward on those issues.

But I think Ukraine in particular, vis-a-vis Russia, will continue to be an area where there is hope for trans-Atlantic cooperation.

At the same time, the economic issues do tend to be where we see differences. That's been a perennial issue with Germany in terms of Nord Stream 2, and there are other countries as well, such as Italy, Spain, particularly those that, you know, are likely to be hardest hit in these times economically due to covid, have also tended to be some of the weakest on Russia.

So I think we'll continue to see those dynamics play out where from a political lens there is reason to work together vis-à-vis Russia, but from an economic lens, particularly for countries that really would stand to benefit from greater trade, etcetera, you will see that there continues to be that tension.

And again, it's also important to note that Russia itself is really in the midst of a period of uncertainty. Obviously it's been very hard hit by the pandemic, and we have also seen that the pandemic has really taken the timeline of Putin's expected rubber-stamping of his potential to continue on for the foreseeable future in leadership, it's extended that. His popularity is lower than it has been during his time in leadership.

And so while I don't expect there to be a major sea change in Russia, I think it bears keeping in mind that this is also a period in which Russia is focused internally. Traditionally that has meant that we should watch out for Russia to lash out and potentially try to distract from those internal issues, but it's certainly worth paying attention to how those things develop.

MR. GOLDGEIER: Toria, there's a question that came in from Valaria Yegesman (phonetic), a journalist with the Voice of America in the Russia Division, that really follows on where Molly ended her remarks, and it was directed to you. And what steps do you see Russia taking with regard to trans-Atlantic relations vis-à-vis the EU, the U.S., especially if relations remain strained between the United States and Europe?

MS. NULAND: He's asking me to predict Russia policy is that what I'm hearing here?

Yeah.

MR. GOLDGEIER: Yes. What do you see as steps Russia might take?

MS. NULAND: I work very hard not to get inside Putin's head, it's not a very pretty place, so I don't know that I'm going to predict on what Russia's going to do. I agree with Molly that one has to watch out for the lash out when they're under pressure.

That said, I think it's up to us. It depends on what we do. Do we stay strong in insisting that good relations with us demand that Russia stop its predatory behavior around the world, whether it is interfering in our elections, killing its adversaries on our soil, standing with the dictators and thugs in the likes of Syria and Libya and Venezuela, and whether it gets out of Ukraine. And we should, I believe, work on a strong package together as a trans-Atlantic community of what better relations could look like, including trade benefits, etcetera, and put it in the shop window for Russia and make it clear that we are not looking for a permanent enemy, in fact we're looking for better cooperation, but you have to live by global civilized standards if you want to benefit from trade and good political relations with us.

So I think it really depends on us. I do think that Putin will jamb through his fourth coronation, or his presidency for life. But I also think that it's not delivering for average Russians and that this covid period will prove once again that he will feed and feather the nests of this capos before he takes care of the Russian people, whether it's their health needs or their economic needs. And I think that will be corrosive inside Russia.

MR. GOLDGEIER: Great. Thanks. We have six or seven minutes left, and I wanted to bring things back, Celia, to where you began with your thoughts on the fact that even though this panel is called Rebuilding Trans-Atlantic Relations After Covid, we are still in the midst of covid and we're going to need strong trans-Atlantic relations to get us through and on the other side of this pandemic.

And just curious sort of your feelings of optimism or pessimism regarding the prospects for the trans-Atlantic relationship in this regard. And, you know, what do you think the prospects are for doing the kinds of things that you were talking about when you started the conversation here?

MS. BELIN: Really it's going to depend at some point on the election in terms of having a responsible partner with which to work on a global coordinated response to the pandemic. I think there is



many proposals on the table that is coming from all sides, including to strengthen WHO. It's been a mistake from the Trump Administration to advocate, to announce that they would cut their participation in WHO. It's the opposite that should be done. It should be strengthened and in balance funding should be taken as an opportunity to increase the independence of the institution.

If the U.S. is really committed to avoid a Chinese interference and Chinese capacity to influence too much these organizations, it should really reinvest in making them more transparent, more independent, and stronger.

France, for example, had suggested creating a sort of IPTP for human and animal health. So some sort of expert groups at the highest level that would render scientific opinions independently and be able to prepare for the next pandemic. That's one of many examples that can be pushed forward for the U.S. to take on if there is a change in the administration.

If there is no change in administration there's still opportunities for cooperation, but I think after this pandemic, or during this pandemic, hopefully the administration will understand that it needs its partners. And not only for partners to just follow on with, you know, its own vision of geopolitics and strategic competition with China and Russia, but to build together a trans-Atlantic strategy response to these challenges.

Geopolitics and domestic politics shouldn't be an excuse to weaken what we have in common, a strong trans-Atlantic relations, but it has. And it's a reality. It's going to take some rebuilding. Europe has to do its own homework, it has to focus internally of course, but there are many opportunities, whether it's on health or on climate or the digital challenge that Molly was talking about, and obviously on China, through trade also. Many, many different areas of cooperation where only coordination and cooperation will be successful.

MR. GOLDGEIER: Well I heard that as actually pretty optimistic. So either way. Ask Mark in the couple minutes we have remaining, since you were good enough to join us from Europe today for this session. Whether you share that optimism that either way the United States is going to figure out that they need this trans-Atlantic partnership to be able to move forward successfully?

MR. LEONARD: I am optimistic because I think that Europeans have been on an

extended sabbatical from geopolitics, which was unhelpful and made them into a very bad partner for the U.S. that led to a slightly cloying and fantasized relationship and a lot of tensions during the good days.

And now that things are less good, I think that Europeans having to face up to the fragility of global order, the fact that we're going to be entering a very, very different sort of world where their dreams of sort of universal multilateral institutions running everything are unlikely to become a reality. And that is leading to a different kind of debate within Europe about both what the nature of the European project is, which is I think very healthy, because the previous European project was very much about dealing with home-grown problems and savings Europeans from themselves. And therefore the debate about sovereignty, we're very much about pooling sovereignty it taking it away from member states, paving sovereignty.

I think the new debates now are about strategic sovereignty, and it sees a kind of weaponized global order as a big threat to European sovereignty, and so the debates now are about whether you can re-create it, regain a sense of control in this world by changing the nature of the European project, and that means Europeans by taking more responsibility for their own affairs, but also being more assertive and more ready to stand up for their interests. Both by looking for more control over their economies, using regulation, using competition policy, using a lot of their own tools to forward their own agenda, but also being much more determined to get reciprocal arrangements with other players, not least with China.

And if you think about the kind of big battlegrounds of the 21st Century, whether it's about trade, whether it's about the global financial system, whether it's about the digital sphere, we have a kind of emerging debate where Europeans are going from being worried about being road kill in a U.S. game of chicken, to actually seeing themselves as one of the big players in this world. And I think the 5g debate has been a very interesting example of that, where Europeans behaved as if their caught between China and America, was in fact the only relative to what took away were European companies. Which hasn't actually filtered into the way that Europeans think about that. And I think we could see that potentially happening in other areas.

And if European start to take more responsibility for themselves I think that will lead the

U.S. to be more interested in the trans-Atlantic relationship because it will be less one-sided and will be less about America providing for Europeans, and more about a genuine partnership, and a lot of the rhetoric of the last few decades could actually end up becoming more real as we both face up to our shrinking share of the global GDP and the military spending and the fact that the world is much less benign for their liberal values which we're inculcated in our (inaudible) political systems.

MR. GOLDGEIER: This has been a fantastic discussion. Thanks again to Bosch, thanks to Celia, Mark, Molly, and Toria, really appreciate your all joining.

And I now turn things over to my Brookings colleague, Constanze Stelzenmuller for her discussion with the Spanish foreign minister.

MS. STELZENMULLER: Can you hear me? Good morning. I'm afraid I cannot right now hear everybody else. Is the Spanish foreign minister on? Foreign Minister, I think you have to unmute yourself. There we go. Perfect. I'm so happy to see you, from my home in Washington, DC, greetings to Madrid.

MS. LAYA: Thank you so much.

MS. STELZENMULLER: It's a pleasure and an honor to have you on, Señora Arancha Gonzalez Laya, and I'm going to stop speaking Spanish with reference to my Spanish adolescence four years in Madrid.

And what people who will note who are watching this tremendous morning conference, this conversation has no gender diversity, it's two women talking about Europe as seen from Spain. But I think that is progress and a great way to end this what has been a fabulous day.

Our speaker today is Arancha Gonzalez Laya, the foreign minister of Spain, who in a country that has always shall we say energetically punched above its weight in European and NATO affairs with distinguished names like Javier Sarana (phonetic), Louis DeGendors (phonetic), Dmytro Kuleba, the current Ukraine Foreign Minister, and is currently pitching as Finance Minister, Nadiar Kanvino (phonetic), as the next head of the Euro group, Arancha Gonzalez Laya is something of a triple threat. And the Basques are known as being both fiercely local and very entrepreneurial internationalists as the distribution of Basque names across America and Latin America shows. She is a lawyer and she

is a trade expert having been Chief of Staff to Pascal Lamy both at the EU Commission and at the World Trade Organization.

So it's an enormous privilege to have you with us today. And let me ask you something if I may, very personal. Because we're all just so slowly crawling out of the seclusion of our homes into the light and back into society and our workplace. So let me ask you, what's it like to run your country as far as policy from your home?

MS. LAYA: Well, first of all, Constanze, thank you very much for your kind words to start this conversation. Covid has been an incredible experience to all of us. It certainly has been an experience to me. I landed in Spain 20 years after having left my country to become the foreign minister on the 11th of January, and on the 14th of March we had declared a state of alarm in Spain to fight covid. And I live next door to my office. So I was basically running the foreign affairs of the country from an empty ministry and an empty city with empty streets, something very unusual in a country like Spain. And certainly very unusual when you live in the center of Madrid's Old Town.

But I guess what made this a very specific situation and a very specific crisis, I've lived through crises before in my life, I saw the 2008 financial crisis, I saw Ebola and SARS before that. But never had a crisis hit us so hard, so fast, so deep. Never had we experienced this sense of fragility. And I sense this fragility because covid hit also my family, so this was a very personal feeling that I had. At the same time realizing to learning two things very, very fast.

One was that globally we were not, and we still are not today, but we were not prepared to face a pandemic in a world that is hugely interconnected. The responses were always, especially at the beginning, and to some extent still today, very national, very local, very limited. But the reality is that this is also a crisis that effects interconnectedness so it's not enough.

And the second one was also a realization that for a country like Spain, part of the European Union, this was also, it became clear also that we needed a very rapid European response, not just a rapid Spanish response, which we did with the state of alarm on the 14th of March, just a day and a half after the WHO had declared the world pandemic, but that we needed also a very solid and strong European response, that at the beginning, let's say, was a bit hesitant. It became stronger with time.

So from a very personal consensus, from a very personal experience of these days, trying to grapple as part of the Spanish government with the sanitary first big set of health measures, but also investing a lot in keeping jobs and workers on board while they were confined in their homes. A very funny feeling I have.

MS. STELZENMULLER: We need to talk about the European and international aspects of all this, but let me perhaps just stay for a moment with the impact of the pandemic in Spain. Spain was one of the hardest hit countries in Europe, with nearly 250,000 cases of infections, more than 27,000 deaths. And I'm very sorry to hear that it had an impact on your family as well. My condolences.

Why was Spain so hard hit? What do you think are the particularities why Spain had such a hard time? But let me just say that having lived in Spain and know, like you, just how important life on the streets, the cafes and tiendas, the conversations, physical contact for Spanish culture, it's astounding to me that the Spanish submitted courageously to a really hard lockdown, like the Italians and the French, while the Germans, who had a very light lockdown, were rioting on the streets complaining about Bill Gates. So why was Spain so hard hit?

MS. LAYA: Well to be quite honest with you, this is something that we are having collectively a lot of trouble in understanding. This is the hardest question for any epidemiologist, and that is a profession I have discovered on the occasion of covid. And they themselves, and they are the experts that can decode for us what are the factors that most effect the transmission of a virus like covid, are unable to give you straight answers.

So what we have is a set of elements, understanding again that how hard the country has been hit is even open for discussion because we are not counting the same things, depending on the country. And because it depends on how much we have tested, and because it depends on how we are counting those that are infected, those are asymptomatic, those that are dead, those that died because of covid versus those that died because of other circumstances.

So with all these caveats there are some elements that epidemiologists point at to try to explain what happened in Spain. One is obviously mobility. Spain is on the top 10 most mobile countries in the world, the second largest recipient of tourists in the world, which means that it's a country where

people mobility, which is a big factor of transmission of this virus, happens to be Spain.

Second is probably, and you mentioned it, social habits, our own life habits. Number three is density of population. There was a big concentration of covid, especially at the beginning, in Madrid. And not unlike what we've seen in the U.S. with New York or in the UK with London, or in France with Paris, or in Italy with Milan.

Number four, there are many weather factors that, again epidemiologists still are trying to grapple with, and longevity, one of the countries in the world with the longest life expectancy. So all of these together combined and probably many more. I would say that one of the factors that made Spain such a country was that the virus was circulating within the country well before we could identify that it was. So by the time, given its exponential growth, by the time we declared the state of alarm, probably it was further within the system than we ever thought it was.

But, you know, this is part of what we will have to look at moving forward to understand, and through that to not repeat.

MS. STELZENMULLER: Do you think there might be a conversation in Europe to be had either at the EU level or among nation state governments about how we need to bolster our national resilience, institutional, economical, societal, against this kind of thing?

MS. LAYA: Absolutely yes. Resilience is a word that has acquired new meaning with this pandemic. We are starting to understand what it means. It means that we have to be better prepared. We did, you know, in 2008 for example, we invented this concept of a stress test to our banks that was to test the resilience of our banks, but we've understood now is that we have to stress test our healthcare systems. Because they need to be prepared to huge shocks. Not normal shocks like you have every year when you have the flu season, but something that is extreme. So preparedness to face pandemics, especially with the healthcare systems, but also with our economic systems, will be very high on the agenda of the Spanish government. And we've made this also, together with some other European colleagues, part of the European priorities moving forward.

MS. STELZENMULLER: Good. Excellent. I think that sounds like a really good innovation going forward.

Let me move very quickly to the European level of this pandemic experience, this multi crisis of health, economy, society, and institutions at the national and European level. I think we've all been shocked at the initial nationalist reflexes in European countries, that includes my own country, Germany, and that it took us all several weeks to recover from this. How much damage do you think was done by this?

And if I may add on a second question. This proposed European recovery program fund, is that genuinely a Hamiltonian moment, and if it isn't, since it doesn't provide for EU taxation or real European bonds, you know, is it enough to get us all together, you know, in solidarity out of this crisis?

MS. LAYA: Well to your first question, the problem with this crisis in Europe is that health is a national competence. It's not the European competence, European competence on health is very limited, it's devolved to the member states. And actually within the member states, like in Spain we even devolve it to the regions. So then the pandemic hits Europe and the reflex is okay, we need to make sure that our healthcare system provides protection to our citizens.

We very soon realized that a pandemic there was a threat to three essential ingredients of European integration. First was Shang in (phonetic), freedom of movement within the EU, we started seeing borders closed, that was big, big issue. Number two, we saw a threat to the internal market when countries started hoarding products and preventing them from circulating freely within the European market. And the third one we saw was the threat to the European economic and monetary union.

So when we realized that it wasn't just a pandemic, that it had huge ramifications to essential nerves of the European integration project, that we started to see also a response from the different European institutions, European Central Bank Commission, and ultimately EU member states.

The last piece that we still have to build, and let me tell you, Constanze, that having seen the 2008 crisis, what we saw in Europe this time around is short of a small miracle. Because in the space of three months we saw incredible measures being taken to respond to Covid.

We still have to complete the arsenal of measures that Europe requires to face especially the economic recovery post-Covid. It's the recovery fund and the budget for the European Union for the next seven years. These two pieces are being built at the moment. I would not call them a Hamiltonian

moment, not because I don't think they have some resemblances with what Hamilton did in the U.S., I prefer to use Busso moment in Europe. Because what we're trying -- Busso, I've lived in Geneva, and you know that we in Geneva are very attached to Busso. Why? Because what we're trying to do in Europe today is build a new social contract. That's what this recovery fund is about. Is financing together the contract, the new contract for Europe based on sustainability, digitalization, and inclusiveness, making sure we leave no European citizen behind. That is what this plan looks like in this European Union moment, version 2020.

MS. STELZENMULLER: All right. I'd like to tease that out with you a little bit. But let me briefly address something that just dropped about an hour ago, authored by the Swedish finance minister, one of the frugal four countries in Europe, among them Austria, the other ones being Austria, Netherlands, Denmark, saying that, you know, this is all very good. We think that this European recovery fund is really, really great, but we are absolutely not having outright grants, it has to be loans.

How do you think you overcome the clearly deeply felt resistance in these countries that somehow helping the southern nation states of Europe with grants is giving them an undeserved present? I mean the Dutch press has published, you know, newspaper covers saying as much. I mean those were caricatures, but that's very much the thinking behind this. How do you persuade them that this is not the case?

MS. LAYA: Well I would tell them it's the internal market, stupid, to borrow from Bill Clinton's famous sentence. It's not about charity, it's not about irresponsibility on the side of any member of the European Union, it's about ensuring the internal market continues to work. Now how is it possible that the Port of Rotterdam brings 6 percent of Dutch GDP. Because there is such thing called internal market. How is it possible that Germany sells half of the cars it produces in Europe? It's called internal market.

So it's this internal market that is a question mark today. Either we have an exit from the crisis that allows us to leverage the internal market and then we will exit fast and we will exit with limited pain or we will not. We will, you know, we will go on with the long recession, painful, painful to everybody, job losses to everybody because the European Union internal market is the market of all Europeans.



So don't do this out of charity, would be my answer to the Swedish Minister. You don't have to do this for charity, do it because this is what will grant you, your economy, the biggest return in the shortest time possible.

MS. STELZENMULLER: So the grout model being a sort of stimulus package that is in the self-interest, including the (inaudible)?

MS. LAYA: That's right.

MS. STELZENMULLER: Now let me perhaps move back to the sort of vision behind all this. Because Spain has been traditionally interestingly always a very pro-European integration culture, really since Spain joined the EU very, very rapidly after Franco's death. And I think at this point you are perhaps ahead of the curve, definitely over the Italians I think, certainly of the northerners, the hantiatic (phonetic) league and the Eastern Europeans who are much more inter-governmental in their mood. And perhaps despite this historic turn around in Germany, I think also ahead of the Germans. I think you're out there with Emmanuel Macron in front.

So what ultimately is your vision for European integration? You just said, very interestingly, that you think what we need is new European social contract where no citizen is left behind, but how do you translate that into integration at the institution level? Is that what you want?

MS. LAYA: What we've always done in Spain is have a very honest conversation with our citizens, this is why we are pro-European in terms of telling our citizens why and how the European Union brings benefits to us, brings improvements in our lives, improvements in our democracy, improvements in our being, improvements in our infrastructure, we've been honest about this conversation. We've not done what some other countries have done, which is if it works it's all because the government is great, and if it doesn't work it's because there is someone in Brussels that is imposing on us all in Spain.

So I think this is the basics for making sure citizens love Europe is having an honest conversation about what Brussels/Europe is about and how much of this is in the hands of member states and their own behavior and their own attitude towards the European integration.

But today we are facing a very difficult moment, and not just in Spain or in Europe, but

around the world. For Europe, being able to exit this crisis solidly and better than the 2008 crisis will be a test of whether or not we learned in 2008 lesson. We in Spain have done things very differently this time around. We've not done what was done in 2008, deflate salaries, reduce purchasing power, get people unemployed, lose competitiveness by reducing basically the cost of labor. We've done it differently, we've preserved employment, we've made sure that people were protected, and we're seeing now that as soon as the economy starts picking up, these people come back into the labor market. So we've tried to reduce pain. The test of this crisis for Europe will be to show to European citizens that we learned the lessons of 2008 and we can manage this crisis with better protection for them.

But the second part has to do with Europe's role in the world. If we exit this crisis stronger it will give us a possibility to shape tomorrow's world a little bit better than if we linger in a long and protracted crisis.

The world is very geopolitically fractured today. If Europe wants to have a role in the world it has to invest in becoming stronger today.

MS. STELZENMULLER: You're a lawyer, as am I, and I am noting you're sort of carefully not to sort of opting for one of the two options, deeper integration or more inter governmentalism, which I respect. But let us perhaps move on to some of the questions that your last point raises. Which is the Europe that we live in, or that you live in and that I am a citizen of although I'm sitting on the other side of the Atlantic, still feel very emotionally attached to, is we're surrounded by the sort of most unstable, volatile, and risky strategic geopolitical environment in your and my lifetime, quite literally. At a time when Europe, you know, has had to look at itself in the mirror in this crisis and seeing some quite nasty sides. It's also rallied, but the question is how do we now deal with these external challenges going forward?

And let me perhaps start with what's on our minds over here, which is the impending American elections on November 3rd. Can I ask you to speculate on the two possible outcomes, which is the second Trump administration or a Biden administration, say what do we as Europeans have to offer a notorious Euro-skeptic American President Trump, and how do we, in case it's a President Biden, who is faced with a set of domestic crises that his predecessor, Obama, you know, in the global financial crisis of

2009, pale beside in comparison. How do we get President Biden's attention? So how do we grapple with the Trump challenge and how do we get Biden's attention?

MS. LAYA: Well you will understand that I'm not going to take sides, mostly because this is probably the best way to continue to nurture the trans-Atlantic relations. You see the U.S. elections are the ones where we all watch, we all feel as if it was ours, but we don't get to vote. This is why what we always have felt, at least in Spain, is that we have to invest in the long-term relationship between Spain and the United States.

Administrations may change, government in Spain may change, but what we have to do is build a relationship that has a long-term perspective and is based on shared values, but also on shared objectives. And I think it is fair to say that in the way we've lost a bit of this soul of the trans-Atlantic relation and now I refer more to Europe/America.

It used to be, you know, during the cold war it was fighting over Italian regimes, totalitarianism, spreading democracy around the world, and it was the end of history. And then we moved and change chapter. And in a way we have lost the core of what is it that we wanted together? What is that Europe and America wanted to do together? So we have to rescue this and we've got to do with a sense that probably Europe has to be a little bit more strategically autonomous, that it has to be able to stand more on its two feet, and that America has to be a little bit more strategically engaged, that it has to be more interested in engaging with, in this case Europe, also with the rest of the world, also multilaterally, but also with Europe in building a positive agenda for the trans-Atlantic relations.

I said on a past occasion on a similar dialogue that I think we need a new mission. And I see clearly what this mission could be, that's my view, but that in my view could be around re-humanizing globalization, making it work, going back to the social contract, making sure we both work to make globalization work for every citizen in the trans-Atlantic area.

MS. STELZENMULLER: Fair enough, Minister. And I understand your desire not to take sides. I wasn't trying to get you to do that, but I see I'm not a foreign minister.

Let me talk to the experience trade expert and say, if you're saying we need a new sort of humanized globalization, that's a very positive way of formulating something, a trend that also has some

other aspects. And let me just name two.

One is nation states' attempts at decoupling from globalization, and particularly from China, by protecting strategic assets, strategic businesses, etcetera. And the other aspect which is a genuine reversal of the economy policy consensus as opposed to the neoliberalism that was the ruling paradigm for many decades, is the return of nation states' industrial policy. Even in my own country, Germany, where I thought I wouldn't see that again.

Is that something that you think is a good way forward in order to help humanize globalization, by protecting citizens against it in this way?

MS. LAYA: Well I think we can protect citizens without being protectionists. Actually we are protectionists, we're not going to be protecting citizens because ultimately protectionism is a zero zone game, economic protection is undermining.

But we need to distinguish that from protecting citizens. Yes, we have to protect citizens, we've not been doing that. Look at inequalities raising in many of our societies and look at the social pain that this has created. Look at how we are painfully discovering that also this inequality has a lot to do with deeply rooted discrimination, including racial discrimination. So, yes, we have to protect people.

But the question is what's the best method to protect people? I think the best method is not to try and divide the world, is just try find areas where we can cooperate, and we must cooperate. There is no question that if we are to decarbonize our economies and tackle climate, we need every major emitter to be on that deal. And that means putting China into that deal and having the U.S. into that deal and having India and the European Union into that deal.

Now there are also going to be areas where we see more of an adversarial relationship, more of a rivalry. And there what we have to make sure is that there is a level playing field, that we are not going to have cheaters, irrespective of who is cheating, we don't want cheaters. Especially if they are systemically important to our economy.

So I guess we have to find a balance between finding a basis for cooperation and for working together, and we have multilateral institutions to do that. And we are going to also have to have more candid discussions, conversations, and probably action to ensure a better level playing field,

including with partners with whom we don't think the rules of the game are being respected, whether these rules of the game are on the economy, they are on trade, on technology, on human rights, or the rest.

MS. STELZENMULLER: Right. Let me perhaps ask you about another aspect of this current new economic debate. We've seen the Trump Administration weaponizing interdependence, as it's been called here. Using economic tools, threats of trade war, sanctions, in order to come to grips with, or shall we say -- how am I going to put this diplomatically? I don't think I can. To put the European Union in its place.

And I think it's not entirely unlikely that even a Democratic administration would also see the need to shall we say compete quite vigorously on issues like trade and data sovereignty, with Europe in the trans-Atlantic space. That strikes me actually as two of the most massive areas of friction regardless of the nature of the next U.S. administration.

How should Europe position itself in this connection?

MR. LAYA: Well I quite like competition, you know. I quite like competition, I think it supports innovation, its supports creativity, and that's good for our economies. Now one thing is competition and another thing is disputes, differences, unfair competition, not respecting a level playing field.

In a trans-Atlantic relation, in a relation that has such a huge economic and investment content, both ways by the way because this is a relationship that is in the two directions. It's not as if Europe was not investing in America, it is investing in America, it's creating millions of jobs in America. And the same way America is creating millions of jobs in the European Union. Well when you have such a relationship, and frankly it's a relationship that works. It is a relationship that is win/win. It's a relationship that is nurturing innovation, that is creating jobs, that is helping with improvements in people's lives. If there are differences, those differences have to be managed.

And I've lived through many challenges in the trans-Atlantic relation and many trade disputes, but what I can tell you, Constanze, is that it's much better if this be done in a manner that doesn't create volatility. I think that in today's, especially today, a moment where we are going through

huge economic and social uncertainties around the world, with huge volatility. The last thing we need to do in the trans-Atlantic relation is to add volatility. Our job should be to manage our differences, and we certainly have differences. To manage them in an intelligent manner, to manage them in a manner that helps solve the disputes but also brings the stability to a volatile world. That is what we should be done, and that can be done. It's called dialogue.

MS. STELZENMULLER: Yeah. Absolutely. So I think what I'm hearing is, you know, if Europe held the wherewithal and the confidence to endure a relationship with America that is both collaborative and competitive, and, as it were, bring it on, we'll settle it rationally. More power to you. I hope we can make that work.

I would still like to have asked you about China, a huge issue, and the German presidency, but I'm aware that I've slightly overrun, and I'd at least like to bring in one audience question.

From Eric Fisher, at the U.S. Naval War College Foundation. To what extent do you think that covid-19 and its ripple effects will make European countries more inward or outward looking?

MS. LAYA: I think the jury is out. This is why I'm saying what we will see, this Rasonian movement that we are likely to see in the next few weeks with the approval of this recovery fund and budget. It's not just a recovery fund and a budget, it's a signal of whether or not Europe understands that it has a responsibility today toward its citizens but also to be a force for good in international affairs.

And the jury is out. We certainly in Spain are playing, we are batting for the game that wants more engagement internationally, more international cooperation, and better responses to our citizens. But we have to convince some of our partners, the work is ongoing, like any time in European history, we will painfully build the European consensus. The only thing I can say is that once we've built it, hopefully we will this time, we will be stronger.

MS. STELZENMULLER: Right. I think that also answers the second question I got, which is on what are the opportunities coming out of this pandemic, which the pandemic is the kind of systemic shock that comes along once in a lifetime, and that makes people willing to not just adapt, but to reform.

But let me perhaps end by combining the two issues of China and the German

presidency. As you know, the Germans take on the presidency at the beginning of July. The Live 6 summit now has been postponed. What's your biggest recommendation, your most important expectation of the Germany presidency in resolving this incredibly tense and increasingly, well shall we say aggressive, relationship that we have with China. And it's not just a relationship that we have with our, you know, on the basis of our embassies back in Beijing, but that plays out in the European political theatre every day on all sorts of different levels.

MS. LAYA: Three words, systemic, strategic, rivalry. Systemic speaks for areas where we have to find a positive agenda with China. Because we meet on certain areas, climate change, protecting by diversity, and sharing the stability of the international financial system. We need to work together. That's systemic.

Second is strategic. We need in Europe to have a long-term view of our relationship with China, just like China takes a long-term view of its strategic relationship with Europe.

And number three, rivalry. There are areas where Europe will have to fight to have a better level playing field with China. So it will have a combination of these three things, and if we are intelligent, and again, we think for the long term. We think now and we act now but we have a view for our long-term relationship with China. It will work.

MS. STELZENMULLER: Tell me, how do we convince the countries that have already engaged deeply with China and Europe? I'm think of Hungary, I'm thinking of Greece, I'm thinking of Portugal, and others. And I mean the Chinese have been quite successful in persuading sectors of the German political and economic elites as well that it is very, very important to be on their good side.

But perhaps the Germans can afford to be choosy. The countries that have been hardest hit by the pandemic and were very hard hit by the Eurozone crisis, I think have a legitimate point in saying you know what, Europe didn't treat us very well during the Eurozone crisis, we felt left alone at the beginning of the pandemic, what do you have to offer that is better than what the Chinese have to offer us? Why should we now side with Brussels rather with Beijing?

MS. LAYA: But it's not about siding with Brussels, so with Beijing when you're a member of the European Union you are the European Union. You are Europe. It's not as if Europe was

somebody else, you are Europe, you make Europe. You decide how Europe behaves and you decide how Europe engages with the rest of the world, including with China. So back to systemic and strategic rivalry. There has to be a positive agenda when you've got a big layer that represents a huge part of the international economy, a huge part of international trade, a huge part of world emissions, a huge part of your treasury bills, you have to engage. You need to be clear about the terms of the engagement, but you have to have a positive agenda.

Now you also have to have a clear sense of where you are a competitor and what are terms of that competition. And making sure that the terms are fair, that there is no cheating, and that there is no non-level playing field that works only for the benefit of one side.

MS. STELZENMULLER: Fair enough. Minister, I think that was a fantastic final statement. I'm happy to see a Spanish Foreign Minister be so engaged and so punchy. That's in the best Spanish tradition of post-Franco Europeanism.

And it's been a huge pleasure having you as our final speaker in this conversation for our bi-annual Brookings/Bosch Trans-Atlantic Initiative event.

And I can only say I hope that we will all soon be in a position to continue this conversation in person, either in Madrid or on the stage at Brookings. I think that would be absolutely wonderful.

You know, I don't really want to return in every way to a pre-pandemic world because I think this has all been very instructive, but the one thing I really want to have back is sitting in a room with people and having a real conversation over, you know, maybe a cortaldo (phonetic), in a Spanish way. And I hope that will be soon.

I'm very grateful for your time. Thank you for doing us the honor of participating.

And with that I'm going to close this conference. Say thank you to all our distinguished guests, to the Bosch Foundation, a long-standing partner of Brookings of ours. I was a Bosch senior fellow, the first one, for five years. And it changed my life.

And I would also like to thank my colleagues who've been on this call all morning, have been listening to with enormous interest as always, and finally our audience for participating, staying with



us, and sending us great questions.

So thank you very much, Minister. Stay well.

MS. LAYA: Thank you so much, Constanze, and see you in Madrid.

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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