THE BROOKINGS INSTITUTION

WEBINAR

# BACK TO WHAT?
# TRANS-ATLANTIC RELATIONS IN THE BIDEN ERA

Washington, D.C.

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**Welcoming Remarks:**

SUZANNE MALONEY
Vice President and Director, Foreign Policy
The Brookings Institution

HENRY ALT-HAAKER
Senior Vice President, Strategic Partnerships and Robert Bosch Academy
Robert Bosch Stiftung

**Keynote Conversation:**

THOMAS WRIGHT, Moderator
Senior Fellow and Director, Center on the United States and Europe
The Brookings Institution

RIGHT HONORABLE DAVID MILIBAND
President and Chief Executive Officer
International Rescue Committee

**Panel 1 - Should the Administration Be More Ambitious in Trans-Atlantic Relations?:**

JEREMY SHAPIRO, Moderator
Nonresident Senior Fellow, Center on the United States and Europe
The Brookings Institution

CÉLIA BELIN
Visiting Fellow, Center on the United States and Europe
The Brookings Institution

FRANZISKA BRANTNER
Member, Deutsche Bundestag
Member, Committee on the Affairs of European Union

JAMES GOLDGEIER
Robert Bosch Senior Visiting Fellow, Center on the United States and Europe
The Brookings Institution

**Panel 2 - Is Biden's "Foreign Policy for the Middle Class" Good for Europe?:**

DOUG REDIKER, Moderator
Nonresident Senior Fellow, Global Economy and Development
The Brookings Institution

FIONA HILL
Robert Bosch Senior Fellow, Center on the United States and Europe
The Brookings Institution

JENNIFER HILLMAN
Senior Fellow, Trade and International Political Economy
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JACOB KIRKEGAARD
Resident Senior Fellow, German Marshal Fund of the United States
Peterson Institute for International Economics

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P R O C E E D I N G S

MS. MALONEY: Good morning and good afternoon to those of you outside the Washington area. My name is Suzanne Maloney and I'm vice president and director of Foreign Policy at Brookings.

It is a real pleasure to welcome you to our discussion today focusing on how Europe fits into the Biden administration's foreign policy agenda in an era of changing global priorities. This is, of course, a very timely and important topic.

Upon entering office, the Biden administration expressed a recommitment to the transatlantic relationship and an interest in reengaging with European allies. And as we kick off this event today, President Biden is currently in the UK participating in the G7 Leaders' Summit. However, while President Biden reassured European partners that America is back, the administration's top priority is driving the recovery from the pandemic and its guiding foreign policy strategy focuses on the American middle-class competition with China and other geopolitical challengers.

This leaves U.S. priorities in Europe and the substance of cooperation with key allies

uncertain. Furthermore, with democracy on the defense around the globe, illiberal leaders continuing to violate international norms, the fundamental challenge of how the United States and Europe will organize effectively around shared democratic values, human rights, open societies and the rule of law in engaging autocracies like China and Russia remains a key question.

Our discussion today will examine these and other questions about the future of transatlantic cooperation and shifting global priorities. And we're fortunate to have such a distinguished group of speakers here today together with our Brookings' colleagues to offer insight and perspective.

First, we'll be joined by CEO and president of the International Rescue Committee, David Miliband. For a keynote conversation on impunity and how accountability could be promoted and reenforced across the globe.

Then we'll be joined by experts from both the United States and Europe for two outstanding panel discussions. First on the Biden administration's approach to Europe and, second, on GO economics and the implications of the foreign policy for the middle class for transatlantic relations.

In organizing this event, we're extremely grateful for the support of the Robert Bosch Stiftung. This event is part of the Brookings' Bosch Transatlantic Initiative or BBTI, which aims to expand networks and further transatlantic cooperation to address global challenges. As always, Brookings' policy of scholarly independence remains sacrosanct and the views expressed by all the experts today are solely their own.

We're grateful for the support of the Robert Bosch Stiftung in this effort and for the respect they have always shown in regards to our research independence. Today's event, as always, reflects the views of the speakers themselves.

Briefly, a final reminder that we're on the record today and we're streaming live. So please send your questions by email to events@brookings.edu or on Twitter using #BBTI. Before I turn it over to my Brookings colleague and director on the Center on the U.S. and Europe, Thomas Wright, to moderate our keynote conversation, I'd like to hand over the virtual mike to Henry Alt-Haaker, senior vice president of the Robert Bosch Stiftung. Henry, thank you and your colleagues at Bosch for your ongoing collaboration. The floor is now yours.

MR. ALT-HAAKER: Thank you, Susan, very much for the kind words and the handing over the microphone over the Atlantic unfortunately once again.

Distinguished panelists, ladies and gentlemen. Also, a warm welcome from me on behalf of all of Bosch Stiftung from Berlin and thank you again to the colleagues of Brookings for hosting us today at least virtually. Ideally, we would all sit together in Washington, but I hope it's going to be a possibility again soon.

I mean, see light at the end of the tunnel with vaccinations starting to pick up on both sides of the Atlantic, so things are going to be better soon. But unfortunately, not everywhere in the world. You know, there are still many parts of the world where the vaccination efforts are, unfortunately, not going to progress as swiftly as that in Europe and North America. And I hope that our governments are assuming their responsibility to also help those less fortunate part of the world in providing the necessary vaccination and information to produce vaccinations.

And then I'm looking forward to meeting again next time all jetlagged in Washington, D.C. with a coffee in our hand and a cookie in the other and chatting on the sides and making spontaneous appointments.

However, meeting digitally has its advantages and one of them is that we are reaching far more people than we could squeeze in any room even in Berlin or in Washington. And that we are reaching also the diversity of our group and we're having speakers today from both sides of the Atlantic. Some of them I venture wouldn't have been able to come to Washington like Franziska Brantner who is, you know, obviously in the middle of her election campaign on this side.

But also, in the audience and I'm very much looking forward to having this diverse and vivid discussion, which is going to be wide in its scope and diversity through virtual hosting.

And the discussion today as Susan already said was the topic is I think it's very timely because it's important that we look about what will happen after the pandemic. And the better kind of slogan is very catchy, but I think it's not always key to find what we mean by it.

And as Susan already said, President Biden is in Europe right now on his tour to meet all key leaders and I think I'm going to discuss how the recovery and the rebuilding of transatlantic

relations but also the post-pandemic world is going to materialize.

And you had the elections in the U.S. just recently. I already mentioned German elections are at the end of year. French elections are next year. So three major actors on the transatlantic stage are changing or have changed the leadership and that's going to impact the policies, obviously.

The issues we're discussing today are going to be addressed by my keynote speakers and then have discussions and we are much looking forward to those rich and hopefully controversial discussions. You know, as Germans, we always believe in controversy so don't hold back.

And Brookings Bosch Transatlantic Initiative, BTI, was created in order to have an open dialogue and a constructive and controversial dialogue because it is meant to strengthen the resilient transatlantic networks and reinvigorate dialogue in collaboration on issues that concern the transatlantic family. And as such we are proud to have partnered with Brookings on this and have been able to use the intellectual resource of that fantastic organization on the other side of the Atlantic. And I would be grateful for this partnership. And I'm very happy that Doug Rediker, David Miliband is here today and then kick us off in our train of thought. Moderated by my colleague -- I don't want to say my colleague -- my colleagues from Brookings, Tom Wright and I'll hand it over to you. Thank you very much.

MR. WRIGHT: Henry, thank you so much and thank you to the Robert Bosch Stiftung for your continued support and partnership. I've lost count of what number in terms of the convening this is and, you know, I'm looking forward very much to being back in person hopefully in Berlin in the Fall.

But it's a real pleasure to be here and to kick off today's proceedings. And as Suzanne and Henry mentioned, you know, we start off with a keynote conversation with David Miliband. And David is the president and CEO of the International Rescue Committee previously he served as the Foreign Secretary in the U.K. and a member of Parliament in the House of Commons. He is also, and I think this is particular important given everything that's happening at the moment, he is also a member of the Independent Panel for Pandemic Preparedness and Response which was established by the Director General at the World Health Organization last year. And of course, that is a very prominent

topic on the G7 agenda.

But we're gathered, I think at an exciting moment. You know, today just in the news that Chancellor Merkel has announced her visit to the United States in mid-July. We, of course, have President Biden's trip to Europe, the G7 Summit, the EEUS Summit and the summit later next week.

So there's lots to go through. You can submit your questions by either emailing events@brookings.edu or by posting them on Twitter using #BBTI.

But let's jump right into it and, David, you know, one of the things -- there's so much to talk about, but one of the things I think that will be great to start on is you have been championing this idea over the last few years about an age of impunity. That what we're seeing in the world is that actors are basically behaving in nefarious ways without fear of consequence.

Whether it's, you know, the murder of Jamal Khashoggi or human rights abuses in different parts of the world. And recently, you had an article which I thought was incredibly important in foreign affairs in which you argued that accountability protection or accountability promotion ought to sort of take the place of democracy promotion in terms of how we think about sort of values in foreign policies.

So I was wondering if you could just maybe start off by elaborating on that and explaining about how you came to that conclusion and why you think accountability promotion should take precedence over democracy promotion. And thank you.

MR. MILIBAND: Thanks, Tom. Very nice to be with you all. I look forward to the questions and comments.

Look, I think the simplest way of explaining this is there are four claims I'm making and maybe we can interrogate them. I won't take up the whole 49 minutes in setting out my four claims to avoid questioning. I'd love to have a discussion and debate about it.

Here are the four claims and maybe someone from Brookings or the Bosch Stiftung could put the article in the chat and then people can see it.

Here are the four claims. I mean claim number one is born of the work of the International Rescue Committee does in warzones around the world. And the claim is simple. Is that

we've got a growing Age of Impunity.

What do I mean by that? It's an age when the laws as well as the norms that were established after 1945 are increasingly being flaunted. Just to be clear, I'm never claiming that was a golden age for civilians and aide workers in the warzones when there was that during the Cold War.

But there are record numbers of civilians being killed in conflicts around the world, record number of aide workers being killed, record number of people fleeing from the consequences, the virulence of violence, record numbers of civilians fleeing. And I think, this merits the idea of an Age of Impunity, the growing Age of Impunity because the rights of civilians and aide workers actually in warzones could not be clearer.

I mean in the U.N. charter and in associated conventions the world went out of its way to establish very, very clearly the rights of civilians in war and what we're seeing in this post-post-Cold War moment of the 2010s and now the 2020s is that those rights are increasingly being flattered. These aren't just tragedies, these are crimes. And they deserve the term impunity because they're crimes without punishment or accountability. So that's claim one.

Claim two is that this growing Age of Impunity reflects an imbalance of power. Those in power and those competents trying to seek or hold onto power feel that there is no appropriate countervailing power against the breaking of international law. And I use the phrase countervailing power with purpose.

In 1952, John Kenneth Galbraith wrote the book *American Capitalism: The Case for Countervailing Power* and his argument was simple. The behemoths of American corporate capital have become so big that no one can take them on and it's the central job government, he said to take them on.

And I think we have to take that notion of countervailing power and bring it into the foreign affairs to many in which to state the obvious, the abuses of international law are not confined to killing civilians in warzones. There are also countries marching into neighboring countries. They are claims on other people's territory. They are the downing or the bringing down of airliners in international airspace or in domestic airspace to then take opposition figures off the plane. It's

happened recently in Belarus. But claim two is that we should understand this Age of Impunity as a question of power and above all imbalance of power.

Claim three is the countervailing power can't simply come from government. There's a lot of talk about the G7, but my central case is that while governments are essential to this, governments alone are not enough. This is going to take civil society mobilization. It's going to take private capital as well. Private power as well as has got to be part of this.

A couple of examples. In the Syrian war which is really what brought me to this because we have had eight workers killed driving ambulances in Northwest Syria by missiles from Russian and outside forces. In the Syrian theater, it's very striking to me that the civil society that has established the transparency about war crimes. And then it's been the German government that has prosecuted the Syrian generals under the principles of universal jurisdiction. I think that's an interesting example.

In the private space, you will remember you mentioned, I think Jamal Khashoggi in your introduction. There was a boycott of the Davos in the desert for one year in 2018, but everyone who boycotted it then went the next year. I mean that doesn't achieve anything. So I do think it takes systematic lining of government civil society and the private sector to make this work.

Finally, to get to where you started and leading to the question. To state the obvious, I'm a massive support of democracy. I'm a massive defender of democracy. I think it's the ultimate form of accountability. But I think the President Biden -- if you read what -- and you've been writing about this. If you read what he's saying, he's got it right.

The central challenge and the central responsibility for promoting democracy is those who are running democracies to make them work better. Yes, there is a foreign policy element to it in that democracy is defending themselves against foreign cyber attack, et cetera, is important. That the T12 argument that Richard Fontaine and Jericho had made in foreign affairs. I think it is a good argument.

But essentially the Biden case to me seems to be those of us who are lucky enough to live in democracies have to defend them better, but we also have to deliver for our citizens.

My point is that the international counterpart of a democracy defends its campaign at home isn't a democracy promotion campaign at all. It's an accountability promotion campaign more because that's what the international system has committed to. We don't need new laws. We don't need new principles. We need to find ways of living up to those. That all countries, communist and capitalist, autocratic and democratic have formally signed up to.

And I think that's a way of getting into the issues of the abusive of power without getting sidetracked into either what I call the grandiloquence of the democracy promotion agenda that President Bush started in 2001 especially after 2005. Grandiloquent but ultimately unsuccessful.

Or what I see as the overly technocratic approach of the Obama administration which had this Atrocities Prevention Board as a committee in Washington, but that didn't help us in South Sudan or in Syria or elsewhere. So that's why I think that the washing line of this should be on the international front. It should be about the promotion of accountability. Holding power to account and by doing so proactively ensuring or trying to ensure that we reverse the current trend that we're seeing. So sorry for going on slightly too long, but I think it's helpful just to set out the claims I'm making.

MR. WRIGHT: No, that's terrific and I think really sets the stage for the conversation. I guess one sort of observation is that in a way accountability promotion is sort of maybe less, you know, it's not less ambitious but is it sort of a narrower definition of values.

But in another way, it could be seen as a bit escalatory, right? Because we'd be going after those leaders that are actually committing sort of these crimes and holding them to account in some way if not prosecuting them. At least imposing some cost. So on Belarus for the pain or on Mohammed bin Salman over Khashoggi or the many different examples that exists.

So I'm wondering if you could just give me some examples or maybe unpack your thinking on what this would mean in practice because it would mean sort of generating and accepting greater friction particularly with the power authoritarian leaders. Not only them of course, but with them for sure. So how does that play out and what should we be prepared to do to actually -- you know, resolutions as you say aren't enough. Committees aren't enough. So we need to impose cost.

So what does that mean given all the examples that we've seen over the last six or

seven years?

MR. MILIBAND: Right. So that's a sticky question. The first part -- I hope this doesn't sound glib -- we've got to get our own house in order. You can't defend the accountability, the principle of accountability for others, if you're not willing to accept it for yourself.

And the Trump years obviously gave enormous encouragement to autocrats around the world who thought that the law was for suckers because the president behaved as if the law was for suckers.

And so, that responsibility for living by the words and deeds that we sign up to is important. We're not going to spend the whole thing about Brexit. But, you know, the British government --

MR. WRIGHT: We'll talk about that later.

MR. MILIBAND: Yeah, the British government of ministers said last year, we're just going to have a -- I can't remember the exact the phrase -- but a small and unimportant breach of international law. You know, that's not the way it works.

If you're not willing to live by your international commitments at home, you're not going to be able defend them abroad. And I think that is important for the U.S., which obviously is not a significant to the international criminal court, et cetera.

But it also has some implications if you like the softer end of this agenda. So for example, the U.S. has military to military training and other contacts with, I think 112 countries. I cite it now. A very large number of countries.

Building into those relationships, adherence to international law should be an important part of it. And actually, I think the new leadership of the Department of Defense wants to do that. So there's a range of ways in which those who are committed to upholding international law, international accountability need to fit.

Now, there and secondly, you're into a harder end of the market as it applies to those who are perpetrators and don't want to be held to account. But again, I think there's a range here. The starting point has to be investigations of abuses.

Now, the U.N. system has not been able to pursue abuses in the Syrian theater in the main. There was a very limited study of the bombing of hospitals that was supposedly being deconflicted under the U.N. deconfliction system. But one reason the Russians were able to wield their veto over those kind of investigations is this. Over the last few years, the P3, the West have not put that much value or imposed that much cost on that attempt to block investigations.

So in my mind, if you're going defend accountability, the first thing you have to do is find out what goes on. That applies not just there but you could say the same for Yemen. In a way, there was an unhealthy tradeoff over the last few years where the Russians blocked investigations on Syria and the Americans were breaking on investigations into Yemen.

You go from investigations to then when you find things out, where's the delivery chain? Where's the chain of command? Who should be held responsible? What are the different ways that you can hold people responsible? I think the Magnitsky sanctions are an interesting model in this and the Biden administration has shown itself more willing to use it as a range of geopolitical clubs that have different suasion.

And so, I plead very guilty to the -- if the question is have you yet figured out all the different ways in which this could work? The answer is no. But if the question is are there many more ways to change the calculus that are currently being used because this is either seen as a problem that's too big to get hold of or that it is seen as something where the autocrats won't listen to anyone. I don't believe that's right. I think there's many more tools available than are currently being used.

MR. WRIGHT: Right. In that's super helpful. Thank you. You know, in discussions with sort of European allies, but also with sort of the private sector sometimes there's a nervousness.

And you mentioned it about the Davos and the desert piece about viewing relations with some autocratic powers to, you know, ideologically. And so, there's a desire sometimes to make a point and then to move on and that sort of happened with Saudi Arabia but also arguably with the EU sanctions on China Xinjiang. You know, they sanctioned a few individuals and hoped to move on and were somewhat surprised then when China made it a larger issue.

I'm just wondering how do you sort of see the reaction both amongst sort of America's

allies particularly in Europe with this idea compared to some of the more sort of competition of systems not only through here from the Bid administration, but also from the private sector?

Would they be willing, do you think, to go along with this in a sustained and durable way rather than it just being a responsive, a fleeting moment in time to whatever the most recent outrage is?

MR. MILIBAND: Well, I think the truth to that is that before the pandemic when I started pushing this. I mean, I've been drawn to this really by what I'm seeing from my own organization. We work in 200 field sites around the world. We work in warzones for IDPs and some of this displaced people in refugee hosted states. And really it was the appalling abuse and killing of my own staff that drew me to this agenda.

Now, in 2019 that bygone age before the pandemic. I got quite excited because President Macron started running with this agenda pretty seriously. He made an important speech to the French Diplomatic Core in August 2019. He then came to the UNGA and he made the Age of Impunity a bit of a coalescing idea of the way he saw the world.

The pandemic has interfered with everything. It has also provided a lot of -- it strained the bandwidth for taking on these kind of issues. So I would say that I partly wrote my piece in foreign affairs that you mentioned in order to raise the flag again that the issues that existed before the pandemic haven't gone away. In fact, they, in many ways, they have become worse.

I think the definitions are really important. I've been quite careful to focus in saying the greatest rights for civilians are established in the warzones and that is the tip of the iceberg when it comes to understanding the Age of Impunity. And what I say in the foreign affairs piece is if the world can't defend the comparable rights that are given to civilians in warzones. And by the way, you just had this example in the Israel Gaza conflict, the Israel-Hamas conflict where both sides killed civilians in different numbers.

If we can't defend the rights of civilians in conflict then the range of other protections that you and I might agree are desirable, whether it be in Xinjiang or whether it be in Belarus or whether it be in Moscow. We've got very little chance. Or by the way, at the Southern Border of the U.S. where

asylum seekers should have rights in theory but not yet in practice.

If we can't address the rights of civilians in conflicts, what hope do we have I say of arenas of debate where the rights are less clear cut and where there is less clear international law? And so, on the Xinjiang issue or on the protesters on the streets. There's a lot more legal argument. There's no legal argument about the rights of civilians in conflict. And so, my point is let's be quite focused in making that. Like the case is will I?

MR. WRIGHT: David, let's broaden our scope a little bit and we can come back to this a little bit later. But just in terms of how do you see what's happening in the world, you know, today more broadly?

You know, I wrote the other day that I think where President Biden is headed is sort of seeing the world as a competition of governing systems between democracy and autocracy. He speaks about that a lot particularly vis-a-vis China, but there is a sense whether or not that's true. That the international order that you had when you were Foreign Secretary, you know, that we've grown used to over the last quarter century, imperfect as it was, but the sense that countries were generally committed to a very loose sort of set of principle and we used to violate them but generally speaking that was the organizing principle.

That that order has sort of come apart and we are seeing sort of different systems, you know, emerge. How do you see it? And what do you think is what trajectory are we on? And what's our agency over trying to sort of shape that? And is it possible to get back to a single sort of rule-based order where the major powers, you know, agree maybe on the protection of civilians or another basic principle?

MR. MILIBAND: Well, look I'm a great fan of ours, but I don't quite agree with that narrative that you've given about -- it didn't seem that ordered to me 12 or 13 years ago when I was in government.

I mean, I remember that Madeleine Albright has this very, I think, telling phrase or telling image, metaphor which is that she says, the Cold War, international relations was like two tankers in the Suez Canal facing in opposite directions and pushing against each other.

The post-Cold War period after 1989, '90 was like being the captain of a ship in the English Channel where you could generally see land 26 miles from Britain and France, but you had to maneuver within that. And then she said, but in the 2010s, I think she must have made this remark in 2010, it's like the captain being in charge of foreign forces is like being a captain on a ship in the open sea without a compass.

So it didn't feel like that order of the world. So I don't think that it's a question of moving from order to disorder. Not least because the Cold War period, people misunderstand the idea of deliverance national or the rules based on international organization. It conveys the idea that not only were the rules established but they were always followed. And as you said, you know, question they were.

Here's how I see it now, though. There is undoubtedly a competition going on. And it's not enough just to say that China is developing its own system and that's its own business and it's only interested about the duplicability of the system within its own boundaries.

I think that is their starting point, but because of the nature of the modern world, it's a bigger challenge that's going on. And because of the shape and the size of the Chinese experiment and in some ways the, quote, unquote, successes of it, it's a bigger challenge than that.

So I think there is undoubtedly an element of the future that is about system competition. But also very strongly believe that there's a second element to understanding the modern world and it comes from a glib phrase that people use a lot which is growing interdependence.

We're not having growing competition after 1648. We had that. We're not having growing competition after 1945. We had that. We're having growing system competition at a time of unbelievably events thick, fast, interdependence between people, nations, companies, you name it, idea.

And so, I think there's a second axis here which is an axis of cooperation versus unilateralism. And I don't think it's softheaded to say that in the defense and renewal of democratic systems we've got our work cut out. We, I say as those of us who are from the liberal democratic world.

But we have got to at the same time recognize a responsibility to fashion cooperation with those in different systems who, I would argue, and other people might not agree with me about this. Have a strategic interest in that cooperation. Now, I still put in that camp the Chinese leadership when it comes to issues. For example, of climate or for example, of global health or for example, issues of nuclear number of proliferation.

And I think there enough big issues where global cooperation should be -- it is not just necessary but possible alongside system competition. And I would be seeking to expand that cooperation to include issues like the rights of civilians in warzones, which is a harder one because you can get fuzzy what's foreign policy, what's domestic policy.

But I think this -- I hope and you're very well connected with the administration. I hope that the words that are being used are about system competition, but I don't see any ruling out of intersystem cooperation. And on those issues of -- if you like you can call it global public goods, which is the way we phrase the issue of the global health security or the "we" as the independent panel or the climate crisis, which is a generational crisis that goes beyond the hundredth anniversary of the foundation of the Chinese communist party and the leagues of the Chinese communist party know that the climate crisis is a bigger crisis.

On those global public goods, I think that we, as the liberal democratic world, have to hold out or fashion an agenda for intersystem cooperation.

MR. WRIGHT: Yeah, I total agree with that, but I think it's interesting was, you know, I sometimes look at the EU/China relationship as a sort of control case in a way because, you know, the EU doesn't have this degree of geopolitical rivalry with China that the United States has. There isn't the same military component to it and Europeans are quite open to cooperation with China on those issues.

And what's interesting to me is that despite the very best efforts of many European leaders that it's actually the Chinese leadership that, you know, has sometimes blown that up because they don't like criticism on human rights or the value piece that has been brought into it or, you know, any of the other sort of measures that Europe has taken.

And so, I guess my question, not so much to you, but more what I'm sort of just

personally grappling with is, you know, is it possible to have a nicely sort of siloed policy where we cooperate on these issues? Where we agree? We compete on the issues where we don't. Or is the messiness of politics just going to result in spill over that makes that complicated. But I'd love you to react to that.

But also, just I think this is a good Segway to your role on the pandemic panel because --

MR. MILIBAND: Let me just follow that, though. Let me just answer that because I think -- I mean I actually think that's a simple question not a hard question.

And it's simple because, yes, it's going to be messy. And yes, there's going to be spill over. And the question is, the hard question is, how do you stop the messiness and the spill over making the essential -- just to give you an example.

Last time I was in Beijing, which was just before the crisis, the pandemic. Quite a senior person said to me, look, what do you think about the risk of AI driven nuclear warfare? Shouldn't we be having nuclear accidents? Shouldn't we be having cooperation to stop our machines declaring war on each other? And they're not blind to the -- that the risk that are posed from outside to them.

And so, I think it's not a -- the test shouldn't be, if I may say so, can we have a neat and simple, you know, somewhere here's competition, here's cooperation. And maybe the E documents in 2019 gave a slightly simplistic view of, you know, we're rival here, we're a partner there and we're cooperating here.

But I think that the hard question is how to make sure that the messiness doesn't corrode the trust and the systems that are essential for the management of this global commons, which I think Higgins used the phrase in 1999, the runaway world. And he was ahead of his time.

I mean the danger now is that we have a runaway world of climate or a runaway world on pandemics, and we can't catch up. And so, I think -- I feel it very, very important to stand up for the idea that there's enough in common to make cooperation on those issues essential.

MR. WRIGHT: Yeah, now to moving, David, I think still on that topic but just moving to the pandemic. I mean there are two questions that we have come up on this.

One is the democratic sort of U.S., European, Asian democracy response and we'll get to that in a minute, I think. And the G7 is obviously poised to make some big announcements over the weekend.

But the other piece, which I would like to start with is sort of this China piece, you know, because after SARS, you know, there were all these reforms in China. There was a lot of cooperation that seemed to be fairly successful and then when the pandemic hit, it didn't really, you know, happen.

You know, China sort of reverted to that 2003 approach and, you know, the Director General of the WHO over the last few months have been pretty explicit about the limits of time, this cooperation. You know, you've been on this panel for almost a year, I guess since it was setup.

What are your sort of reflections not so much on, you know, why that happened but more on where we go from here? I mean is there a world in which, you know, we can expect Beijing to credibly commit to real reform of the WHO that would involve increased transparency? You know, is there a sense that they believe they made mistakes that need to be corrected in the same way that many people in our countries believe mistakes were made?

Like how do you see at a granular level the prospects for global public health cooperation between China and, you know, Europe and the United States going forward?

MR. MILIBAND: Well, I look I sat on this independent panel on pandemic preparedness and response, IPPPR, from September until we published our final report last month. And obviously, only an appetizer for the book that you're writing on this very important topic.

And so, we published our final report. We're still holding seminars and arguing for our case. A forensic examination of the origins of the crisis were not within our terms of reference and so the whole oblique question is still an open one, I think. But we weren't in power to look in it.

What we were given the task of figuring out is how do you stop the next pandemic? Because there will always outbreaks and how do you stop the pandemic?

And we concluded I think with some reasonably bold proposals. None of which were completely original, but which I think are important, and they go to heart of some of the questions that you are raising. We said, one, pandemics are too important to be left to health ministers because they

have global economic, political, social consequences. We need a global health threat council head of government level that is able to work on this.

Secondly, we did say that the WHO needs to have more powers. And we wrote a manifesto effectively for the WHO to have similar investigations powers just to take that as an example as the IAEA has on the nuclear front.

So there's repowering of WHO. We also think there's a really important finance side of this that the underinvestment in preparedness and the slow response once the pandemic was declared returned us into the crisis that the $20, $30 trillion crisis that we've got at the moment.

Now, I can only report to you two things of any fact that speak to your question because I always read the China Watch as in you read the China Watches but all of them say there's a lot of misprint.

Number one, we did have a very senior Chinese representative on our panel and he signed up to the proposals that we made. Professor Jung (phonetic) is the leader of the Chinese vaccine effort. He was the professor who got to the heart of SARS and MERS and led that response. He signed up to the proposals that we made.

Secondly, at the World Health Assembly last month where the report was presented, the official Chinese response was to actually be supportive of the proposals that we made. Now, I'm not naïve. It's a long way. There's a lot of negotiation, but those who want to say, look, you can't work with these people that's too easy. And so, I think the question is how much premium do we put on it? You know, how does the U.S. feel about the World Health Organization having investigation powers? No notice of investigative powers which the IAA has.

So, I think, you know, physician heal thyself, but also let's try it. We won't know until we push it.

MR. WRIGHT: Yeah. And maybe, you know, it doesn't preclude either, you know, also working more with likeminded countries in power now, right? So trying the reform and track.

One thing I know you feel sort of strongly about is, you know, I think I've heard you say before that we're not in a post-pandemic world. That the pandemic still rages, you know, great

questions of inequity or great issues of inequity may come up now because there's been so much progress.

Could you just talk a little bit about what -- I mean, obviously, there's a big announcement on the way at the G7, which is very positive. But what do you think really democratic governments need to be doing in the next few years to ensure that we get to a post-pandemic world?

MR. MILIBAND: Well, I mean first of all, let's be stark about this. We're winning the race between vaccines and variance and the rich world and we're losing the race in the poor world. I mean that's the blunt truth. You know, one in 100 Africans have got a vaccination. You know, the India situation.

And we're all taking massive risk now because the danger of a more transmissible, more virulent mutation is very, very real. And at the moment, it's more likely that the disease will burn out by infecting hundreds of millions if not billions of people than by hundreds of millions or billions of people getting vaccinated.

And that's what essentially need to be turned around. And I talk about redistribution of vaccines. Production of vaccines in poorer countries, but also distribution of vaccines because we have at the moment a situation where COVAC is sending vaccines to capital cities but then there aren't the distribution chains to get shots into arms.

And so, I think the distribution needs as much attention as the redistribution otherwise we're going to end up with warehouses of rotting vaccines. So there is a vaccination piece to this that is big and it needs to be bold. The president has announced yesterday 500,000,000 vaccines is excellent and it will tie you over to the production phase because that borne free licensing, technology transfer, quiry the business of the waivers, the IP waivers and people have different views about that.

Through next year, I mean the IMS says the world could vaccinate 40 percent of the world by December 31st. Well, let's go for that. You need redistribution and you need distribution for that, but by 2022 especially when you're into boosters in this part of the world, we're going to need production capacity as well as distribution capacity in all parts of the world.

There's a second thing that I think is very important. I'm so upset about the inadequacy

of the prevention of preparedness work. I mean, we're still begging for the basics in helping the people that we serve not get the disease. And the basics are about the masks, the handwashing. The basics are about the public communication. The basics are then about the therapeutics for those who get the disease.

So there's a great danger. The victory is declared in the rich world before the battle has even been joined properly in the poor parts of the world. And I and obviously the British Aid Decision production fits into this sense of pain about the situation in space. But I think if G7 is going to stand for everything, they need to be bold on this.

And they need to recognize this is a really important point and then I'll let you get on with your next question. If the vaccine and if the COVID issue is only reduced to an overseas development issue. If all the funding has to come out of overseas development, we're going to get nowhere. We're robbing Peter to pay the Paul.

This is a global public good that needs investment from mainstream funding otherwise it's not going to have the quantum or the effectiveness that's needed.

MR. WRIGHT: Yeah, I couldn't agree more. I mean, I think it's really an infection point about the type of world we want to live in. You know, forget the geopolitics, but is it one world in which people can travel and work and trade and invest and be educated or, you know, is it two or three tiers in which parts of the world are, quote, unquote, not safe and so it's just much harder to get there or to do anything.

And I think that will be decided basically in the next sort of 12 to 18 months. And I think you're totally right. If it's development assistance and if it's a foreign aid thing, it totally sort of misses the point. So I very much hope that that is taken up.

David, you know, were obviously Foreign Secretary in the U.K. And so, you know, the President is in the U.K. at the moment for the G7 but also for meetings with the Prime Minister. And, you know, yesterday was interesting. There was a new Atlantic charter which they signed, but there were also issues around the Northern Ireland protocol that popped up.

Maybe you could address that and also just what do you see as the prospect for

U.S./U.K. relations after Brexit? And does the U.S. have a role in sort of trying to figure out what the new equilibrium is in Europe between the U.K. and the EU?

MR. MILIBAND: Well, I hope you don't think I'm like I'm a bit knocky to jump on this but in the same way that I'm skeptical of post-pandemic. I'm very skeptical about post-Brexit. And, you know, Brexit is a process, not an event. I think you've written that so I'm quoting you.

We're going to be negotiating Brexit for a long time and if we carry on the way we are we're going to be negotiating it for a very, very long time because essentially there's a form of denialism that's going on it seems to me in part of the U.K. system about what we signed up to and why we signed up to it.

And it's a point of sadness to me that the corner that we've boxed ourselves into in December last year has really left the country in a kind of victim mentality for something that we've actually done, and that's not helpful at all. I do think that this Northern Ireland protocol is very dangerous. I mean, it's very dangerous for the people in Northern Ireland and it's very dangerous for EU/U.K. relations. I mean it's very dangerous for U.K./U.S.

MR. WRIGHT: You mean the controversy over rather than the protocol itself?

MR. MILIBAND: Yes. I'm sorry. Well, yeah. I mean the operation -- the way in which the protocol is now is now becoming a sledgehammer for each side is bad for people in Northern Ireland. You don't want to forget that. But I think that the controversy and the lack of willingness to find a way to make it work for all its imperfections is potentially very explosive.

I don't know whether Boris Johnson wants to implement the protocol that he negotiates with them and sign up to. I don't know if he thinks that he can, in fact, pass responsibility for avoiding a hard border in Northern Ireland to the EU. I don't know if, in fact, his game plan isn't to say to the EU, well, if you need to protect your single market then you build your wall on the island around, which of course they said they won't do.

And in the end, if you're not willing to have the whole U.K. in the aligned standards of the European single market when it comes to customs and other things. You've either got to have a border in Ireland, which is being ruled out or a border in the Irish Sea. And if you're saying, no, no, no

to all three of those then you've got nothing to say.

Now, I think that -- and at the risk of boring one who's not a British or Irish census on this just I do think -- and I think you're answering this in your question. The Biden approach is changing the game here. The argument of the Euro skeptics was always, we can't align with European agreed food standards because if we do, we'll never be able to negotiate a trade deal with the U.S.

Leave to one side that I don't believe that British Parliament will never pass a trade deal that had Americans' style food stamps. I believe that was, I believe. The argument was always we can't sign up to European rules because then we have to negotiate the idea with America.

What it seems to me the Biden administration is saying, is unless you sign up to European standards, you've not got a cat in hell chance of negotiating a trade agreement with us. And so, that's I think quite big. And I think he's an important dose of realism. I mean I think it's very important. I think it's very incredibly demeaning and damning and dispiriting that in the, quote, unquote, global Britain document that was published earlier this year.

The pretense was that the European union didn't exist as a foreign policy actor. And I think that the ways that (inaudible) and President Biden are conducting themselves is to say, hang on. From our point of view, the EU is a trade and regulator superpower. It's a foreign policy player.

And I think that's the dose of realism the U.K. needs. Unfortunately, there may well be a political temptation to spend the next few years until after the next election fighting that reality because the victimhood can seem short term electorally popular. So I'm sorry not to give you a more optimistic explanation, but I think that's the situation we're in.

MR. WRIGHT: Yeah. No, no. I mean I think there is no, you know, given the situation we're in. I think there is no sort of silver bullet since there is no obvious way. I guess the question I sort of mull over sometimes is, you know, is the way in which the protocol is interpreted sometimes like the only way in which it can be interpreted.

So the way in which it is interpreted by the commission. So is there any wiggle room?

MR. MILIBAND: Sure there is. Look, I'm sure there is.

MR. WRIGHT: But it's more just and is there --

MR. MILIBAND: I'm sure there's wiggle room.

MR. WRIGHT: Yeah.

MR. MILIBAND: People will only wiggle if they trust you. And I'm sure there is. I don't like the attack on, quote, unquote, legal purism because the whole point of the law is it is meant to be pure.

And lawyers have to be sticklers for details. But there are ways around this. And I'm afraid the government in London has chosen this ground for a fight. And they've chosen the sausages deliberately to make it look like a ridiculous piece of European arcana. And I think that's very unfortunate.

MR. WRIGHT: And I think you've put your finger on it exactly. It's a credibility issue too. I think particularly, you know, in Washington that if people in Congress or the administration think that the Johnson government is just trying to get out of the protocol at the first opportunity then they will be very resistant.

If they believe they're credibly committed to it but there are legitimate questions about implementation that's sort of different. And, you know, we so quickly from opposing it tooth and nail to try to get eyes that I think it's hard to reach any conclusion except that, you know, that some people, maybe not all people, in the government want to in crisis of sorts.

David, we have a couple of audience questions that I want to put to you. One on the accountability agenda, Pascal Siegel who is Managing Director of a Geopolitical Intelligence firm in Anchora (phonetic) says, restoring accountability is an admirable idea but practically speaking, we, the United States and Europe have never been able to apply this universally meaning we often let our friends off the hook. How do you sort of suggest we go about addressing this?

MR. MILIBAND: Don't let your friends off the hook. I mean, it's a very good point. And that's why I keep saying to people. I'm not presenting there was ever a golden age.

But to be fair, there are good examples of the U.S. military to take that as an example being very clear about its own responsibilities. And I think that I don't pretend that it's easy at all. But if we don't practice what we preach then the hypocrisy is going to be exposed by the Russians and

Chinese every day of the week and we're going to get absolutely nowhere.

MR. WRIGHT: And thank you. Another question from from David Bing is any comments on whether populism and nationalism in Europe threaten planet cooperation. If I could expand that out a bit just to get your thoughts on general developments in the EU. I mean we have, you know, a new Prime Minister in Italy who I think has going to a very strong start but there's connections in Germany obviously, and the end of an era approaching there.

But I think particularly interesting or even a little bit worrisome is, of course, the political situation of France which is quite in flux, and we see that in the polls. And they have an election next year. Sort of how do you see the politics of EU? You know, not just in that but obviously with Britain leaving, it changes the dynamic, you know, as well.

There's a big debate on autonomy. There's all of these things going on. What do you think is sort of happening in the EU and what should, you know, we be looking for in terms of its international role?

MR. MILIBAND: Yeah. I mean I think a couple of things. One, I think it's really important not to underestimate the significance of the low carbon agenda that Frans Timmermans is driving on. It's not been in the news very much, but given that the EU is above all a trade and regulatory super power. I think that's really important and it's got money behind it and it's significant.

Secondly, the pandemic has actually strengthened incumbents. And despite the misdeeds or mistakes of the EU vaccination campaign or the tardiness of it, my sense is -- this is hope but also sense -- is that the EU isn't so far behind the U.S. or the U.K. that it's going to become absolutely damning and bring the whole thing down.

So I think that the fact that in terms of pandemic politics, the long-term bonds, the big economic stimulus and push and then hopefully the vaccination campaign not being too much of a disaster. I think that's important.

Thirdly, I worry a lot about the East/West split in Europe and that's where I think the populism isn't quite right. The nativist or the autocratic tendencies that you're seeing in East/West is to divide East/West is very serious. And Poland, Hungry, et cetera, there's a whole separate debate to be

had about that. Although, I think it's very interesting that those countries don't yet want to hold the EU to ransom and that it's too valuable for them.

Obviously, there's always elections going on in the EU and we'll have to see how that plays out. But I think that if I was advising the EU at the moment, I'd be really emphasizing two things. One, make the Green Deal better than anyone else's. Make the regulatory's standard setter. I think that's really important.

And then secondly, come to the table with the U.S. to play in the system competition game in a way that is strengthening of our own systems rather than seeking confrontation for the sake of confrontation. I think that's important.

MR. WRIGHT: David, we have a couple of more minutes actually just because the next panel is a minute or two behind if that's okay? But I'd like to ask you --

MR. MILIBAND: The only thing is I've got some parents meetings at 10:00 so I've got a slightly tight timetable.

MR. WRIGHT: Can I can give you just one last question just on climate. You just mentioned, you know, what the top 26 in Glasgow. Any sort of closing thoughts on that? How that fits in?

MR. MILIBAND: Well, not in a minute. I mean I actually -- if we've been having this conversation on January the 20th when President Biden came in, I would have been saying, my hope for the period from January to June is on health and on climate. There is EU/U.S./Chinese alignment.

Now, it's taken longer to get the EU and the U.S. together, but it thought it was interesting. There's an important EU/U.S. Summit in this Biden trip. And I really hope they focus on getting ducks in a row for the climate conference but also beyond because it has so much potential to be a unifier. And it's got a potential to unify globally.

But also, I'm very struck by how the Biden administration is turning the green agenda into a green jobs agenda here. It's turning it into an equality agenda and I think that's very significant indeed. And so, my big learning from the time when I was Environment Secretary is that the climate crisis and the inequality crisis, both nationally and globally, you have to see them. Until you align them,

you can't make progress on it.

MR. WRIGHT: David, thank you so much. This is really terrific and the article I recommend to everyone and we'll send it out to our list, but it's in foreign affairs on the Age of Impunity and accountability promotion. But it's great speaking with you and thanks.

MR. MILIBAND: Thanks ever so much.

MR. WRIGHT: Thank you.

MR. MILIBAND: All right. Take care everyone. Thank you.

MR. WRIGHT: Great. So I think we now transition to our first panel of the day with Jeremy Shapiro chairing.

MR. SHAPIRO: Sorry. Are we ready to go, Tom? I didn't quite hear you.

MR. WRIGHT: Yeah. I think you're ready to go, Jeremy. Yeah.

MR. SHAPIRO: Okay. Thanks. And thanks to everybody for joining. So what we are trying to do with this panel which is, you know, always a difficult thing in the middle of this vast pageantry of the Summitry that's going on in Europe right now is to sort of contextualize it a little bit.

And to look beyond the sort of the moment and look beyond all of the pageantry and think about, you know, where trans-Atlantic relations are and what this trip tell us in the broader context about the Biden administration's policy toward Europe.

And I think what we're really looking to understand is how does the Biden administration see Europe and trans-Atlantic relations as part of its overall foreign policy and political strategy. And what do we learn about that from this trip, but also from the policies that they've adopted so far early in term?

And secondly, you know, what do they want to accomplish? What do they want to accomplish on this trip? And what do they want to accomplish in the broader context of trans-Atlantic relations. And then, I think, finally as the panel's headline implies, we want to know whether -- I want to know the panelist's view on whether this is appropriately ambitious.

If it's not ambitious enough that they don't see Europe as -- if they're underestimating what Europe can possibly do and can possibly contribute to American goals or maybe it's too

ambitious. And they're exaggerating what Europe can accomplish.

So I think we have an amazing international panel for those goals. First, we have Jim Goldgeier who is a Visiting Senior Fellow at Brookings and a very, very long-term observer of trans-Atlantic relations and particularly of Russia. I was just reading an entry that he wrote for H-Diplo on his career and what started him up and you could see. I would recommend that to everybody because what a long and interesting journey he's had in trans-Atlantic relations. And how he got into it and how close it is to him. So he's going to start us off.

After that we'll have Franziska Brantner who hasn't quite joined us yet, I think. But will hopefully be there before Jim is finished. And she is a Green Party member of the German Bundestag and also a member of the Committee on Foreign Affairs for the European Union. And of course, most importantly since I'm the Researcher Director at the European Council in Foreign Relations. She's a board member of the European Council in Foreign Relations which is upper most in her mind and when she writes her biography.

And then finally, we'll have the French view from Celia Berlin who is a Visiting Fellow at the Center of the U.S. and Europe at Brookings and a former member of the policy planning staff of the French Ministry of Foreign Affairs. But the French are always the stinkers this so she's going to tell us why they're not.

And so, I really look forward to what you're doing to what the panelist will tell us. After they're done, I will either use/abuse the authority of the chair to ask difficult and unpleasant questions. Or if you, the audience, are sufficiently good at asking your own difficult and unpleasant questions, I'll just pass that on. I'd rather hear from you. And I think there is a mechanism for that in the chat.

So, Jim, without further ado, I will let you take it away.

MR. GOLDGEIER: Great. Thanks so much, Jeremy. And that's for doing this and I'm just delighted to part of it. Delighted to be part of the BBTI program here and grateful to Bosch for enabling me to be at Brookings.

I mean it is quite an interesting trip, but I would say it's a trip with many paradoxes to it because here we have the President's first overseas trip. It's to Europe so Europe must be really

important to him. He's meeting with Putin so Russia must be really important to this administration and the paradox is that Europe and Russia are not really at the center of the Biden administration foreign policy agenda.

And it's further paradoxical because of the President's background and affinity for the trans-Atlantic relationship. I think we could argue it's the deepest since President George H. W. Bush. And I think we can see this if we consider sort of what's going on today with this situation 30 years ago when the Cold War ended.

When Cold War ended, U.S. foreign policy was centered on Europe and Russia. Policy towards Europe and Russia was about Europe and Russia. The United States was hugely ambitious at the end of the Cold War with respect to Europe and Russia. They wanted to help build a Europe whole and free. It wanted to build a new relationship with Russia.

At the State Department, your former bureau, Jeremy, EUR, the European Bureau, at the end of the Cold War, EUR was the power regional bureau in the State Department. Folks who worked on Europe and Russia were the backbone of the bureaucracy and those were the issues that had the cash aid for foreign service careers.

Okay. Fast forward to today. You know, if you look at the NSC, for example. The center of gravity is clearly the Indo-Pacific. That's where the muscle mass is. That's where the focus is. And, you know, as Germany has written, there's very little ambition today in this administration when it comes to Europe. And the U.S. policy towards Europe and Russia is not about them. It's about China like everything else in this administration.

Will Europe get on board with the tough American approach to Beijing? And I think it depends on where we look. You know, on human rights we should expect it. Europe is, you know, very concerned about the human rights situation within China and Hong Kong as well.

On economic and technology issues maybe. We will see more convergence, but it's a lot harder particularly since China is the EU's biggest trading partner.

And now, when it comes to Russia, President Biden has been repeating the mantra stable and predictable. He wants stable and predictable and by that he means boring. He wants things

quiet with respect to Russia so that he can focus on China.

The problem is with respect to Russia is that Putin is predictably unpredictable. He wants to keep poking and disrupting the West. That's going to continue as his popularity in Russia continues to decline. After all, who better to blame for Russia's economic stagnation than the United States and the West.

And he will come to Geneva next week prepared to air as many grievances and while both sides want to pursue cooperation on strategic stability and arms control. And that is, of course, extremely important in the world. Biden will want to show that he's tough by making clear to Putin that Russia and Putin will pay a price for continuing to interfere in American elections. So that will be a change in tone from Putin's encounters with President Biden's predecessor.

And just the last part, I would just say on the U.S./Russia relationship is that a previous post-Cold War presidents came into office with high hopes for what they could accomplish with Russia and they were inevitably disappointed. And at least this time, the disappointment is already baked into the equation from the start.

MR. SHAPIRO: Thanks, Jim. Let me just follow up with a quick sort of question that I think your presentation sort of leads to. So Europe maybe is not the central front in this struggle against China, but as the Biden administration has said many, many times allies are key. Europe particularly in a global ideological struggle are particularly key allies.

So what is it about the China struggle? Or what is it about Europe that implies that this downgrades it in importance because the focus is on China?

MR. GOLDGEIER: Yeah, I mean it's a great point and I think it's really -- I mean again sort of comparing it to 30 years ago. You know, there were goals that the United States had in Europe and with Russia.

You know, I mean at this point the relations with Europe as allies. I think they are clearly important to President Biden. He's quite rightly argued that the United States having allies puts it at an advantage with respect to countries like China and Russia that don't have allies.

I mean, it's a big thing for the United States. It enhances American power, the ability to

accomplish things in the world. But so, they really are a means. You know, I think viewing that as a means to that end is the way that they seem to be looking at it. And I would argue that the challenge is, in my view, the United States effort to rebalance its foreign policy towards the Indo-Pacific is very natural. And I would argue presidents since Bill Clinton have been trying to do it and they've been distracted from that effort because of events in Europe and, you know, the broader Middle East.

And I think we'll be seeing from this administration is, okay, we're not going to get distracted from this. We are going to keep our focus on the Indo-Pacific. And to do that they need a stronger Europe. I mean, if they want to focus on the Indo-Pacific then what they need is a Europe with the kind of strategic capability to better manage affairs in Eastern Europe, in the broader Middle East.

And so, they have a huge stake in Europe's success and in Europe's ability to demonstrate greater capabilities. It's not clear so far whether or not they believe that can actually come to pass. And of course, we have two fantastic Europeans on this panel who could say more about their views from Europe as to whether or not that's what Europe aspires to.

MR. SHAPIRO: Thanks, Jim. And Franziska Brantner has joined us and I think just in time. And less you were worried that her tardiness was a reflection of a change in German practice under Green government that's not the case. We had some technical issues so we apologize for that, Franziska.

I'm not sure of how much what went before you, you heard but what we're trying to understand is the sort of larger context of trans-Atlantic relations behind this trip and what the Biden administration is trying to accomplish in trans-Atlantic relations. And whether you think it is too ambitious or not ambitious enough? So over to you.

MS. BRANTNER: Yeah, many thanks for having me and sorry for the delay. You know, I think their agenda is certainly not too ambitious. I think it's right that President Biden comes with an ambitious agenda.

We as Greens have been a bit upset that he gave up on Nord Stream too and that he would be a tougher or remain tougher on just -- because we have been also fighting this project for years now in Germany.

I believe it doesn't serve European trans-Atlantic interests, climate interest or you name it. So but you know, I think coming here and showing that we have a partner again is very important protecting the joint challenges, China, Russia, climate and the recovery of our economies after the pandemic as well as national health crisis we still have because of the pandemic. I think these are all the right issues. And I just hope that the European side will be ambitious enough to catch up to Mr. Biden's ambitious. That's rather my worry, not that he is too ambitious. It's that, you know, we are not ambitious enough.

We're in the middle of an election campaign and don't do anything and that's rather my worry.

MR. SHAPIRO: Maybe a little bit more specifically. Jim was emphasizing, I'm not sure if you heard it that the Biden administration is really focused on China and that in some sense downgrades Europe in the administration's thinking in part because they don't really think that Europe has a huge amount to contribute on its China issue.

And also, in part because they really want Europe to be able to sort of take care of itself and not have Europe distracted from the China issue. I'm wondering if you've seen that in American policy? Whether you agree with that assessment and whether you think that they are underestimating Europe or what the sort of evolving position on America's China policy in Germany and Europe is?

MS. BRANTNER: You know, under general shift to Asia, Jim already said that this is nothing new with President Biden but has been like, you know, a long-established agenda of, you know, the former president as well which is understandable. And the Europeans really should finally get really our acts together that we can take care of our security in our neighborhood. So there, you know, Jeremy, I've been fighting for more European strategic sovereignties so that we can take really finally on that challenge. I think it's high time.

When it comes to China, I think, you know, that Europe has a role to play and I think that we should coordinate with DS. We have many mutual interests. They are not always the same. They're not identical but of course we have to, you know, the mutual values that we stand on. And I think that is where we should start and incorporate. Let me be precise. For example, 5G. We have still

European players so I think, you know, it's our European interest to protect these sections.

I know the Americans are now trying to set on software and breaking in with open RAM with their own companies. You know, there I would say, it's our European interest to protect our own companies, make them stronger, get into software safety. But we have to join interests of keeping whoever out. You know, so this is where we join up interests.

But there, for example, you know, I would say we have European strong actors. Let's protect them and let's further develop them.

MR. SHAPIRO: Thanks. I'm wondering just maybe to sort of preview some of the questions before we go to Celia. Obviously, there is a German election later this year and it is the end of a -- yeah, you probably heard about that.

It's the end of a long -- apparently, the end of a long Merkel era. I know that, you know, the election has happened but do you see that after the election there can be an evolution in this approach? How do you see that election changing the -- just having the election pass? Changing the approach to trans-Atlantic relations particularly to cooperation with the United States over China in Germany?

MS. BRANTNER: You know I thought about this coming (inaudible) today. It was in all German (inaudible) so one page ad was a (inaudible) I thought. It's a very populace attack in our leader and it's finest by the initiative when used a social market economy. It's finest by the car industry more or less. It's a major blow and it's a major attack on us.

You know, and I think it's -- and Alina (phonetic) has said several times that for her in the future, German foreign security interests won't be equal to German car export interests. And, you know, probably this is what you get in return. It's a very hard to take back. And so, we'll see what remains so Germany tries to do foreign policy that is economically completely driven by a few actors.

Or if you will finally will manage to be fine a joint here European trans-Atlantic security agenda under which we then also you have to subsume sometimes some economic interest. And it will be hard I tell you. So we'll see where we're going to end up in September. It won't be easy.

MR. SHAPIRO: All right. Well, I won't ask you to predict the future any more than that.

It's a pretty unfair question but I appreciate you handling it.

Celia, I'd love to get a French perspective on this. I mean, it seems as if France has been asking the United States to do less in Europe since about the 1960s. And arguably if you listen to Jim, they finally have an administration that agrees with them or at least is willing to follow up on that agreement, maybe not. But I'm wondering does France see this way? Are they glad or happy about it? Do you think the French government would prefer Biden to be more less ambitious in Europe or it's about right?

MS. BERLIN: Thanks for that question. I would like to reflect a little bit on what France might want. The beauty of it is that we just have to listen to President Macron.

President Macron yesterday gave a two-hour press conference ahead of G7 NATO, USCU Summit in which he detailed every single policy that trans-world push which is both extremely useful and also quite puzzling because, you know, it's not as if he was giving a simple political message, but an enormous amount of information which sometimes can dilute actually what was the political message.

And within this big amount of information, people noticed that there was at least some distance taken from the feeling that everybody feels in Europe which is a big feeling of relief that America is back. That Joe Biden is president. That you reunite with a constructive, productive America and even though the French completely share the sentiments because they actually do need the productive, constructive America for working together in the Sahel. They do need it for working together on defense, on COVID, on climate, on whatever else is top priority for both countries.

There is also the feeling that, you know, America declares that it's back even though without really paying attention to the fact that Europeans and France in particular, I must say, carry the mantel of this multi-actualism in this sort of desert years that were the Trump administration.

So basically, there is little recognition I find in the Biden administration for this sort of moment in time. I mean there's a recognition just in the fact that, okay, could come back. We understand you're nervous because it could come back. But I think, you know, a simple thank you could help for not dropping the ball on the climate accord and continuing to work on China.

On Iran for keeping alive the POA, however, difficult that has proven to be. On at least continuing to push forward a strong multi-lateral historian to the agenda in several directions including during COVID. Including launching COVAC and all the other initiatives that now the U.S. is more than happy to chip on and to actually, you know, coming with the U.S. strength and the American power.

And it's coming in and sort of other coming with it's overwhelming with its power. And not to be petty, but of course you will find this reaction among Europeans that, well, then what does it mean for maybe the more modest effort. We pushed but efforts that were costly politically, you know, it could have been much easier at the time to just rally around the nationalistic agenda of Donald Trump and that they didn't do.

So you could see a bit of that in yesterday's press conference. And the question is how do we move on from there? And part of the criticism is of the administration, but is that Europeans and Americans feel that they share so much in terms of with this administration in terms of analysis of the global challenges on climate, on China, on COVID, on an Indo-Pacific strategy, on disinformation, on Russia and there's just, you name it. There's just so much things that, you know, Americans and Europeans can work on together.

What is clear is that Europeans feel impatient and maybe it's unfair because actually this is a new administration just coming in after four years of Trump which has been highly disruptive to the police making system in the U.S. so you just need to give them time. But at the same time, the first decision that has been taken demonstrates and, Jeremy, we can come back on this, an idea that maybe this administration continues with the unilateral decisions without cooperating enough with allies. Maybe this administration continues to be focused inwards and not so much coordinating with allies even though it claims to.

And so, there's this moment, and we can come back to it, of hesitation. Is it just impatience on the part of Europeans? They just want this to be more productive more quickly? Or this a larger trend that maybe will be defined in years to come with this administration?

MR. SHAPIRO: Thanks, Celia. I wanted to ask you, though, about French leadership in Europe. It seems to me that the French are making a sort of case that Europe needs to stand up to

itself. That American assistance is important but they are on a variety of issue either distracted or not quite on the same European page and that Europe needs to have its own voice, which is a traditional French opinion.

But when I go around Europe, I find that actually that assessment of the United States is reasonably well shared but it sort of competes with an assessment of France, which isn't that different. Which is a France that doesn't compete.

So for example, yesterday, I think, the French made an announcement about withdrawal from the Sahel and demanded a lot of European assistance, especially German assistance, without ever having consulted their European partners on that.

So why is that? Is it true? And why is that? And what does it mean for France's ability to lead in Europe and to sort of make the case that they can have a different kind of foreign policy process if they can, you know, take leadership from the United States within the region?

MS. BERLIN: Well, I think it's probably a fair assessment that, you know, the one actor that is both active and taking on responsibility also feels that they have the right to decide basically. And also, decide for others. And sometimes it doesn't pay attention enough to the contribution of allies and partners, however small compared to their own, but crucial.

And, yes, I think it's a fair assessment. I personally haven't talked to European leaders or officials on whether or not this Sahel decision might have taken them aback and I wouldn't be able to give you an opinion on this.

But, yes, repeatedly French willingness to push issues on strategical autonomy, to encourage Europeans to share responsibility and to share the burden of security in the military and in Northern Africa has often failed as, you know, arm wrestling with European partners. And I think it has only increased under the leadership of President Macron who's both a very eloquent, likes to give speeches, likes to initiate a lot of, you know, not only summits and take the lead on climate, on security, on reforming the European union.

And at the same time when you -- and I know this has created resentment in European leadership. But as much with the U.S. at the same time once France is more quiet and is not taking the

leadership then you hear European saying, well, what's going on with France? Why are they, you know, taking the lead on this? So you do have the same sort of paradoxical situation where I do believe the criticism is valid and I do sort of also understand the impulse of the one that's leading on this.

What's really important in the next year is that both with a change of leadership in Germany that is announced because of America leading the political scene and of potential reelection or defeat of Emmanuel Macron change of leadership in France. You have a moment where the Franco-German couple, as we call it, needs to continue being able to work together. However rocky will the political year ahead be.

And I think it's more than ever important that France does not advance in isolation and then be caught up in this political moment and leave Germany alone out there. Which is why, you know, the American leadership will be crucial but also other European leaders, Italy in particular, will be crucial over the next year in order for the moments, you know, the continuation of the strengthening of the European union to not just be left to the political disputes in those countries.

MR. SHAPIRO: Yeah. Leadership it turns out is a lonely place. I guess we can all sympathize with that. Franziska, did you want to come in on the this sort of German/French relationship on Versailles?

MS. BRANTNER: Yeah, thank you because, you know, I think it is true. Germany is sending quite a number of troops and, in fact, it is making the policy decisions they're making. And there has been complaints about this in Germany quite a lot. And I think, you know, we shouldn't complain, we should just also to play a part in all of this, to be frank.

You know, I think, you know, if you send troops then you will have a say over the policy as well. And we have been as Greens criticizing Paris or Macon and before government especially long tradition for being way too soft in (inaudible) and leads there and not implementing the peace agreement.

And that, you know, the U.N. could please saying, you know, this is going very wrong in Mali. Please change policies. Nothing really changed. And, you know, at that point I would have said,

okay, you know, if you're not ready to change everybody says it's going the wrong direction. We're going to withdraw. Good luck. You know, and I think we are totally backing this. So last week, you know, when we had the second coup, actor wasn't saying anything. And I'm sorry, come on. This is not acceptable like you have to say something. You also have to have your own policy.

So I think, you know, we as Green at least really would like to have a more active policy also in challenging some of the classical, longstanding French policies on some of the countries in sub-Sahara and Africa, et cetera, also North Africa.

It won't always be easy, you know, but I think actually if you look Mali, the French policy has been quite a disaster. So, you know, it can't harm to have a more critical eye on it.

MR. SHAPIRO: Okay. I appreciate all the self-criticism that's very helpful. I had one sort of before we go, there's a bunch of audience questions that are piling up. But before we go to this, I had sort of one question I think that can apply to all of you.

And it's really about, you know, the United States. It's just where I am. You know, as all of you mentioned the sort of Trump years were a difficult period in trans-Atlantic relations to put it mildly. And, you know, now they're over sort of. Except, you know, maybe they're not, right? There is this Trump is still out there. The future elections don't look very certain at all. What is it about -- how do they particularly in France and German, but I think I would like Jim to address this too because I know that he has a good perspective on this type of thing.

How worried are you about the return of this type of policy? And maybe more importantly, how is it that France and Germany and other allies should prepare for this possibility, hedge against it or think about what, you know, the advent Trump administration might mean for trans-Atlantic relations? Why don't we start with Jim so that you guys can prepare your answers?

MR. GOLDGEIER: Well, yeah. I mean it's a great question and I'm eager to hear Celia and Franziska on how this is viewed in Europe.

My own view from the U.S. standpoint is that -- I mean the big issue is that you have an unconstrained presidency. I mean this is, you know, the presidency as an institution has just grown more and more powerful over time. In this particular two visa via Congress, Congress has become

weaker and weaker since the end of the Cold War and, you know, fewer hearings, less oversight, less expertise.

And Congress used to have a lot of expertise in foreign policy during the Cold War and that withered. We did see in 2018 in the House of Representatives, we did see a group of national security professionals being elected to the House and reelected in 2020. People like Tom Malinowski and Andy Kim from New Jersey, Elissa Slotkin in Michigan, Abigail Spanberger in Virginia. I mean, you know, you're getting a little bit back in the Congress which is important.

But, you know, that only manifested over time and the real question is how does Congress get back? Because if it's all about the president then, you know, the president comes in 2017 and undoes what his predecessor did. The president comes in 2021 and, you know, he undoes what the previous president did. The president comes in 2025, you know, and you get the undoing of that as well.

I think the only way to address that is with a stronger congressional role in foreign policy as was intended when the country was founded. And the interesting thing is, you know, presidents over time have accrued more and more prerogatives and jealously guarded them. You know, they wanted to keep them.

It's very interesting. This winter you saw comments from both President Biden and Secretary of State Blinken that they recognized that they do need a stronger Congress for the president to be able to convince others in the world that the policies that he enacts will stick past his administration.

And, you know, the question is sort of will this administration work with members of Congress and both parties to try to achieve that greater congressional role. I don't know, but I just don't see how the United States just doesn't end up zigging and zagging every four to eight years unless you have a stability that could be provided by a Congress that plays a role in foreign policy that it simply has not for a long time.

MR. SHAPIRO: Thanks. So Franziska, an America that's likely to zig and zag, how do you deal with that?

MS. BRANTNER: You know, Jeremy, my biggest fear is not necessarily just in U.S. or Trump or somebody worse coming back, but it's also, you know, having the same tendencies, getting stronger within our own member state inside the EU.

And, you know, this is really my big worries can we defend liberal democracy into the internet 80s? I'm not sure. I think we haven't proven that yet. And I think a big question that we really haven't really answered, you know, for 40 years now we have the ground rules of sort of neoliberalism, have a small state, you know, free trade, et cetera.

You know, all of that has crumpled. Nothing is really left. We all know it doesn't really work for our citizens unless we end up with, you know, difficult times. But we don't have really common new ground rules and I think that is really the challenge. And we really need to use the time of President Biden to define these ground rules together of how does trade look like so that it serves all our citizens? How do we ensure just tax justice so that everybody is paying taxes so that we have enough social infrastructure, education, housing, et cetera, that we can finance this?

And how do we protect our liberal democracy in the internet? How do we regulate our social platforms, media outlets so that they, you know, we don't get in a totally polarized society that you cannot be held together with a democracy?

And I think, you know, we need these new ground rules. And this the additional challenge to battling climate change in the climate crisis. And of course, they go hand in hand. But I think, you know, for me, I never see this just Trump as an American issue. For me, really this is a strike to our liberal democracy in the U.S., in Europe.

And I think, you know, to establish that joint understanding and then work on this together that this is my perspective on it. And I'm almost convinced that if, you know, Trump comes back in the U.S. and we don't manage to defend liberal democracy there, we won't be able to do it in Europe either. It's the same system. It's the same problems. Of course, it was different if it's not all the same, but these tendencies are the same. So I rather see it as a trans-Atlantic Western if you want perspective.

MR. SHAPIRO: Sort of trans-national liberal coalition, I guess. Celia, do you worry

about an inconsistent America?

MS. BERLIN: So if we take some of the most radical changes that are obviously welcomed between the Trump administration and the Biden administration, one of them is climate. I will only take this as an example. This is a top priority of Europe and of many other nations around the globe and for which, you know, the absence of the U.S. for four years in climate negotiations has had a very negative impact.

And so, one way to edge against the return of a very climate skeptic administration in four years is also to continue to expand on what had been done during the Obama years which is that you put so much in place so that the industry itself transforms and the transition takes place so that it's irreversible. And even Donald Trump when leaving the Climate Accord was saying in any way, we are reducing emissions because his own civil society is on private sector was reducing actual emissions.

So there's many, many ways to do that. One of them is to have finance, private finance and public finance, but also must keep private finance off energy, fossil fuel, et cetera. Have a strong climate regulation so that you move to a green finance versus a brown finance. And this will have major impact for years to come whoever is in the White House in 2025.

But I must say, you know, it's not just that Europeans are worried about the return of a Trump 2.0. It's also that there are some lingering effects of the years of Donald Trump that have yet to be overcome. It is of course some of the structural tendencies of American foreign policy that were the same under Donald Trump that are under Biden is the rivalry with China. Is the desire to get out of the Middle East.

It's also the foreign policy with the middle class that a decision to look at foreign policy decisions as having impact on middle class Americans and therefore to, you know, focus on different trade rules to reduce military intervention around the world, et cetera.

And there are actually a few lingering decisions from the Trump administration. Some on trade with tariffs on steel and aluminum that are still in place and that this administration is giving. And another one is the travel ban between the U.S. and Europe. And you know I care about this issue as well.

Which is a decision that was taken under the Trump administration at a moment to be fair that many other nations around the world were taking similar decisions of banning travel. But that is lingering and at the moment when Biden is doing a whole European tour, Europeans still can get to the United States and European under visa situations in the U.S. still are unable to travel back and forth for a very, very strict regime, consulate regime that prevents them to do that.

So, you know, Trumpism or the effects of the Trump administration are still there. And there is a larger question for this administration for President Biden who writes an op-ed saying that he wants to rally democracies to tackle the challenge of our times.

On what does he want to make of his own democracy? How open should American democracy be? Open to Europeans coming in and traveling in the U.S.? Open to, you know, trade with Europe? Or like what does it mean rallying democracies if everyone stays in their own corner and erects barriers?

So I think that is the legacy of Donald Trump and it's still present.

MR. SHAPIRO: That guy never goes away. Thanks. I had a lot more to ask, but I'm dominating a little bit too much, and I wanted to go to the audience questions.

And there's a couple of questions about something that Franziska mentioned in her in her presentation, Nord Stream 2, which has been probably the sort of dominant theo-political issue in the early part of the Biden administration with Europe. And particularly there's one from Carolina Herd (phonetic) from the National Defense University and from Jack Minor of the State of Department.

And what they're looking to understand is what are the implications of what Biden did on Nord Stream 2, which was roughly speaking to sanction all the Russians involved but not sanction any of the Germans involved. Slightly more complicated than that, but it's a decent summary.

And following up on that given that it's, you know, 95 percent complete or something, whatever that means from a pipeline. Putin has actually said that they're ready to fill it with gas. I'm not sure I would believe that, but it's probably fairly close.

What can the Biden administration reasonably expect from the German government or anybody else in its effort to try to suspend construction and to try to stop this pipeline from coming on

line? And there might be some context there for the German election too. I'd be interested to hear about from Franziska. So, Franziska, since you brought that up and I know you have a couple of thoughts on the Nord Stream issue maybe you could start us off?

MS. BRANTNER: Yes. Thank you. You know, I think it has taken pressure away from the German debate. That's clear. There was a lot of pressure in Germany about Nord Stream 2 in terms of, you know, taking a stumbling block away to restart the trans-Atlantic relations and also European, you know, corporation on it. So I think the pressure has been taken away and that's the effect it has.

And I, you know, on what can we still do? The thing with four side infrastructure unlike Nord Stream 2 is to allow just four side infrastructure project currently in Europe and not like EU, but really Europe. And we know that they are built for two years. They have built for decades. And the union has just decided not. So 2050, Germany just said 2045, we will be out of CO2.

So in a way, we already know today that we will have to bail out the investors of Nord Stream 2 one way or the other for them not to import any more gas. So in a way, it will become expensive at one point or the other in history anyways if we are serious about climate protection.

So the question is do you stop them now? Or do you pay even more in a couple of years that when you keep their, you know, raise their expectations that they can use that pipeline for gas. So we have calculations in terms of what would be more expensive for taxpayers to stop it now or stop it later. Probably stopping it later will be more expensive and more detrimental to the climate, to our relationship with Ukraine, European partners and the U.S.

So it's a wrong picture to say, you know, it's costless to keep it going on. So in a way, you know, for us, we would have liked to keep the pressure on because we really think it's a wrong project. And we don't see any re-compensation from Putin for being so nice. And, you know, there were just again a number of German organizations that were outlawed in Russia, the institutionally (speaking German), the Institute for Liberal (speaking German), et cetera. So, you know, it's ongoing towards German relations and we don't have a (inaudible) in in German.

So yeah, I think, you know, I can see why Biden is doing this. He wants to move onto

other issues, but, you know, it will stick that issue. It won't go away. At least (inaudible) it will not go (inaudible). The statement of Putin already now with the gas pipeline not very promising.

MR. SHAPIRO: Yeah. It's even harder to get a thank you from the Russians than it is from the Americans. But I'm not sure I fully understood your perspective on the question of whether it is still possible to stop this pipeline? Clearly, you think if Germany should and the U.S. should help in that, but is it possible?

MS. BRANTNER: You know, there is still a number of legal complaints going on and so (inaudible) this one issue where the courts still have to decide. We'll see how that goes. And then, of course, you know, they're license and they both have a European framework.

We actually have (inaudible) a gas promise really being really in accordance with that new director. That's on a legal basis (inaudible) too. And of course, you can also do it politically and you have to pay a price for it. And that's where my argument came in in terms of paying a really high price now with coal, which we asked for so many years. I know we cannot (inaudible). And we're just doing a (inaudible) with gas financing and (inaudible) particular (inaudible) but then to pay at one point for them to bring gas any longer to Europe and Germany.

So in German, you have that saying (speaking German). It sort of means, you know, rather have a difficult ending than an end with continuing difficulties.

MR. SHAPIRO: Thanks. Celia or Jim, do you want to come in on the Nord Stream question?

MR. GOLDGEIER: Well, I just would make two points. One, I mean I would just say it ties back into what I was saying earlier about where the administration wants to keep its focus and it brings us to the same.

I mean the last thing they want to do is pick a fight with Germany this Spring and have, you know, that take away from the rest of their agenda. But it is also important to think about, you know, what this is going to mean for Ukraine and what it's going to mean for the West policy towards Ukraine.

Ukraine receives revenue from the transit fees from, you know, being in the pipeline

network. And so, as it loses that revenue will the West step up to make it up? You know, who will accept responsibility for that?

And I mean President Biden has had strong statements on behalf of Ukraine in support for its sovereignty and territorial integrity. And of course, you know, we can expect that issue to come up next week in the meeting between President Biden and President Putin.

But I mean I think, you know, there was uncertainty among a lot of people with the administration. You know, pick a fight with Germany over this and they decided, no, they weren't going to do that.

MR. SHAPIRO: What does that tell you about their overall priorities do you think? Or is that reading too much into that question?

MR. GOLDGEIER: Well, you know, I mean first of all they have made it very clear. I mean in addition to sort of the China obsession that, you know, they talk about this foreign policy for the middle class. They want to show that the president is delivering for the middle class.

So, you know, I mean just thinking about sort of what they want to come out of this weekend and, you know, this set of meetings between now and next Wednesday when he meets with President Putin. I mean I think they've already gotten a big win with the agreement among the G7 Finance Ministers that will then work it sort of through elsewhere.

But the global corporate minimum tax, right, they can say, you know, the president has made it possible to start making sure corporations pay their fair share. I assume that for all the leaders who are part of this, it can be helpful message.

But certainly, that's going to be a big thing they want to tout at the end of these meetings. I mean we've talked about sort of this idea of being able to tout that the United States is back and it's a leader again and working with its allies and working with its fellow democracies.

And again, you know, the meeting with Putin which cuts a little against sort of what's been done on the Nord Stream issue, but they will want coming out of that meeting to have, you know, seen that President Biden was standing up for the United States. That he wasn't doing what his predecessor did and just letting Putin mess around in the U.S.

That he stood tough and, you know, explained to Putin that you can't mess around in the United States. It's unacceptable. We'll punish Russia for it and that includes both interference in American elections and, you know, the multiple hackings that we see now on a regular basis.

MR. SHAPIRO: Yeah. I think Trump set a fairly low bar there. So as long as President Biden doesn't side with Putin over his own intelligence community, it will be an improvement.

There's another question from Martin Nimra (phonetic) of the Embassy of the Czech Republic. I hope I pronounced that right, which is I think a sort of classic question that's been brought up many times in trans-Atlantic relations. We never really see it progress in this direction even though it is a sort of obvious idea.

Which is what do you think about a division of labor between Europe and the U.S.A.? Where Europe takes responsibility for security on it's Eastern flank or be supported by the United States? And the U.S. for security in the Indo-Pacific assumedly supported by Europe and I guess the Middle East? It goes open flanks.

But I'd be interested in all your views about whether that division of labor is a good idea? And whether it's possible because you hear these kind of ideas a lot, but they never really seem to go anywhere. So, Celia, since you didn't answer the last question, I think we can start with you.

MS. BELIN: Well, partly, the division of labor is a French idea as well in the sense that when President Macron talks about strategical autonomy for Europe and talks about European defense and taking responsibility for its neighborhood, this is about also partly the division of labor.

The idea that Europe would be responsible for what's happening in not only on its territory with regards to its main neighbors and that it will take action. And France has always been willing to do that with more or less success or more or less coordination with allies as Franziska pointed out.

But it's only partly true because actually I don't think it's from a French perspective. And I would expect from other Europeans as well. No one wants to see the U.S. fully involved in a specific rivalry and face to face with China with nobody else having a say in the matter.

Not only from a French perspective because we have a territory and a million people

living out there, but also from the perspective of Europeans and other big nations that are in the Indo-Pacific region, Australia, Japan, India. There is this idea that, you know, freedom of navigation and that the human rights that all other universal values are to be defended by everybody and not just by the U.S. and not just in this sort of geostrategic confrontation.

Similarly, I think the U.S. doesn't want at all and it's proven to be to look away from, you know, Russia's influence in Europe. For example, they need Europeans and facing Russia with not paying attention at all. And I think the Summit with Putin actually demonstrates the willingness to engage.

But also, during the Summit a lot of arms control conversation will take place in France and other Europeans are asking Americans to be a part of these conversations. We're not in the time of the Cold War anymore. You know, Europeans are not kids that you can shove away from the adult's conversation, which is important, and they don't need to be in the room. Actually, they do need to be in the room. They do need to be not only consulted but just actors of their own territorial security.

So I think it's much more -- Europe needs to take its responsibility, but it is not about a division of labor. No one wants to see, you know, the Pacific front and the Atlantic front with two different sects. Europeans on one side and Americans on the other taking care of their own neighborhood. It makes no sense. It does not correspond to this globalized world and it would diminish everybody's power too.

MR. SHAPIRO: So the world is too small to have a division of labor. Jim, how do you respond to that?

MR. GOLDGEIER: Well, I guess I mean as somebody who has written about the importance of a greater division of labor. I think I would put it that we need to coordinate a division of labor and we should be working together and thinking about sort of what the U.S. does in the Indo-Pacific.

I understand that there are European interests there. Particularly, French interests there. And Europe taking more of the lead in its own neighborhood as you put it, Jeremy, with U.S. support.

And I would say the big thing is a U.S. reconceptualization of its role in Europe. And I'll just end with where I started, which is, you know, where were we 30 years ago?

Thirty years ago, it was the United States has to stay in Europe and has to stay dominate and in charge of European security. That was the lesson of the 20th century. You can't leave. You've got to do it yourself. We've got to do it ourselves. People were nervous about German unification. Europe didn't handle -- wasn't able to manage the wars in Yugoslavia.

And so, it wasn't the United States that just stayed dominant in Europe. There were a lot of Europeans that thought that as well. And just to pick up on Celia's metaphor, I mean the United States doesn't need to babysit Europe anymore. And it shouldn't think of itself as having to be in charge. It should be supportive. It should be an equal partner and it should seek Europe to do more and it's great that there's an ambitious French president. And the United States should would want to work with him to help generate greater ambition.

MR. SHAPIRO: Franziska, you have the last word. Can you adjudicate between the French and the Americans on this question?

MS. BRANTNER: You know, I also think that the new concept for totally. It doesn't make sense. Also, our Eastern European partners I think would (inaudible) leave it. And I say that's (inaudible) because I think there is still some, you know, suspicions towards the Germans.

So I think, you know, it's not going to flow that we total labor division, but I think it would be good if the U.S. really took forward having Europeans stronger strategic sovereignty. So far it's been calling for (inaudible) the way (inaudible). You know, if we see (inaudible) strategic sovereignty would be a change.

MR. SHAPIRO: We seem to be having a bit of a problem with German infrastructure and Franziska is a little bit in and out.

I think we're also out of time and I think we've gotten the gist of what she said. Although, I really apologize to you, Franziska, for having to cut you off. I blame the internet, but I think broadly speaking we heard what you needed to say.

And we had a really interesting panel so thank you to all three of you for offering your

contributions. I apologize for my provocative questions and I'd like to hand it over to Doug Rediker who will do the next panel on is Biden's foreign policy for the middle class good for Europe, which came up in this panel so I think it can be a natural follow on. Thanks everybody.

MS. BRANTNER: Thank you.

MR. REDIKER: Thanks Jeremy. I think we are waiting for -- I think we've got everybody, so we're all good. So thank you, Jeremy. And welcome to this next panel. Let's just get ourselves organized first.

I'd like to offer a thanks to the BOSCH and Brookings folks for putting on this event. The second to the audience, or to remind you that we'll be having a discussion for the first part of this panel, but we'll also shift to audience Q&A. So, you can email your questions to events@brookings.edu, or join through Twitter using the hashtag BBTI.

Now, the title of this panel is, Is Biden's Foreign Policy for the Middle Class Good for Europe? And by traditional standards, that's a difficult title to even understand, much less engage and discuss this morning. But it appropriately attempts to capture one of the key components of the Biden Administration's efforts to breakdown silence between traditionally separate government disciplines of domestic economic and foreign policy in a more ambitious way than earlier efforts at economic statecraft, commercial diplomacy, what to use of sanctions as a tool of American strategic power.

And many past efforts in this area are traditionally focused on trade. And the current effort does that as well, but it really includes so much more strategic decisions on foreign policy alliances, foreign aid, debt development, sanctions, tariffs, currency policy, and more. This Administration has taken this blurring of economic and strategic and domestic and international further than its predecessors. It's not only acknowledging that foreign policy choices impacting the Milliken Economic Calc, but it's using it as an organizing principle.

National security advisor, Jake Sullivan, recently explained, this is a quote, "Everything we do in our foreign policy and national security will be measured by a basic metrics. Is it going to make life better, safer, and easier for working families? How to reconcile the often short-term economic interests of focusing on what's good for the Middle Class in the short run, with the longer term strategic

considerations implicit and foreign policy decisions is not going to be easy. So, how does this new American approach impact our closest allies in Europe?

Does Europe end up a victim of a new apparently bi-partisan approach to accepting at least some basic measure of American industrial policy, the imposition and maintenance of tariffs imposed under questionable legal predicates and serious consideration of protectionism in the name of protecting the middle-class? Or will this approach result in a closer alliance between countries with shared values, stand against those who do not share those values. Now, here to discuss that this morning, we have the privilege to learn from three of my favorite people and extraordinary experts are these, on other issues. Fiona Hill is a Robert Bosch senior fellow, and my colleague at the Center on the U.S. and Europe at Brookings.

Fiona recently served as Deputy Assistant to the President and Senior Director for European and Russian Affairs on the National Security Council from 2017 to 2019.

Jennifer Hellman is a senior fellow for Trade and International Political Economy at the Council on Foreign Relations where she focuses on trade. Having previously held senior positions at the WTO, USTR and the USITC.

And Jacob Kirkegaard is a senior fellow at the Peterson Institute for International Economics and at the German Marshall Fund now based in Brussels after a long stint in Washington. Jacob focuses on the political economy of advanced, sorry, on advanced and other economies.

So, welcome everyone. Let me start by closing this down and moving to a better screen here. All right, Jennifer, I want to start with you. Jennifer, can you just sort of provide the audience and all of us with a short summary of some of the major elements of President Biden's foreign policy from the middle-class agenda? I guess I'm asking you to frame the economic policy, his foreign policy premise of this panel.

A lot is based on trade, but there were other elements as well. So, Jennifer, how should we think about Biden's agenda?

MS. HILLMAN: Well, first of all, Doug, thank you so much for the introduction and thank you for inviting me to be with this very wonderful panel. You've asked me, I think, what is a really

hard question because it is difficult to translate that basic question, sort of what does foreign policy mean for American workers and their families into the international economic space? But I think a couple of things are clearly coming into shape.

First, there's no question that the work is being done already to address what I think the Biden Administration perceives to be as the basis for sort of middle-class disillusionment, writ large. I mean, rising dissatisfaction with corporations, both the huge role they play in shaping our politics along with the growing pay disparity and the focus on profits and shareholders overall else. Persistent racial injustice, growing economic inequality, and then the sort of grab bag of it, anxieties around globalization, immigration and technological change.

So, addressing all of those at its core is going to involve a much more active government role. And that includes a more active government role in the sort of international economic space. Although this more active government role is going to have initially its primary focus on jobs and on climate change. And I think what you're going to see is that the sort of key elements of security, prosperity and values all being defined in terms of what they do for the welfare of working people, instead of focusing on overall GDP growth, or corporate profits or in the trade realm, what do they do for trade deficits?

So, I think when I stepped back from it and say, okay, what does putting those aspirations into practice come down to? And to me, and again, it comes down to both process elements, as well as substantive elements. And on the process side, I think the main change that's clear today is just the increased number of addresses to and conversations with labor groups and industries that are at the heart of American competitiveness.

For example, you saw our USDA, Catherine Thai speaking yesterday to an AFL-CIO town hall and pledging that labor and worker interests would have seats at the table at all phases of trade negotiations. And you also saw her pushing for a stronger voice for labor within multilateral organizations. And again, presumably those within the White House and the inner agency process are going to be making sure that Jake Sullivan's basic question keeps getting asked every time. What do policies abroad do to contribute to economic and societal renewal at home?

On the substance side, I think the primary work to date is on two fronts. First, is the sort of shoring up of American competitiveness so that we are better able to compete in this global world. And that's everything from COVID vaccines to the push for the passage of the American jobs plan.

The American Families Plan increased money for R&D, investments in technology and more. And the second is the outreach to partners and allies to join with the United States. And again, to join with the United States on what? To me, it is going to be joined with the United States to push back on an increasingly aggressive China; to join with the United States in promoting democracy, labor rights and economic security.

And obviously, the first of that big outreach is into Europe. I mean, that is clearly what you're seeing and what is likely to come down in the meetings that are going to take place next week. And I'll stop there just as sort of an introduction.

MR. REDIKER: Great. We've got a lot to cover, so I appreciate the framing. And I also know how many specifics we're going to get into if we have time later on. Jacob, let me turn to you. Jennifer covered some of the Biden agenda, but even with globalization, someone in retreat, we live in a highly interconnected world.

How do you see the broad spillover effects on Europe from this Biden hybrid domestic and foreign policy agenda, both the economic and political? And as a way to frame your thinking, let me ask you how you see the role of the state in the U.S. revolving on your Biden? Is the U.S. becoming structurally more protectionist, embracing industrial policy, moving away from a traditional focus on rugged individualism and unfettered belief in the free market, sometimes even at the expense of human costs? And is Europe pleased or disappointed by the current Administration positions as they're evolving and becomes more clear?

MR. KIRKEGAARD: Well, I think, you know, first of all, I think most European policymakers while perhaps sort of rhetorically expressing horror at sort of by America and other more explicit trade protectionism from the Biden Administration endorsed also by the Biden Administration as well as if you can like, NASA as you mentioned industrial policy, et cetera, at the core the reality is that

Europe understands and certainly at a time of a very, very large fiscal stimulus if the U.S. that the U.S. remains very, very open to a European export.

The reality is that for all the trade frictions, et cetera that we talked about the EU trade surplus with the United States is now approaching that of China. And if you believe certainly the sort of models of the IMF and the OACD, the Biden stimulus, which is basically the part of his agenda that has passed Congress to date is going to help the EU economy in the next 12 months, by up to half a percentage point of GDP. That is a very concrete spillover.

And it's going to have this sort of funny ironic effect that it's going to be the U.S. fiscal stimulus that's actually going to positively affect the EU economies before the otherwise much touted European Recovery Fund, which is only going to be rolled out starting in the second half of this year. So, I think once you get around sort of the rhetorical, occasional rhetorical excesses, the reality is that Europeans understand, European leaders at the end of the day understand that the transatlantic relationship is very important to Europe and very good to Europe, irrespective of the ongoing set of quite frankly smaller set of frictions that we'll continue to have.

On that note, at the same time the European Council came up with a long list of things that they would like to engage the Biden Administration on earlier in this year on trade and other economic issues. And I think they will be quite pleased with what they're seeing at the list, at the round of summits this week. We now have a perspective, at least, it's rumored a solution to the Boeing Airbus dispute, which quantitatively is the largest one out there.

What is it, 18 to $20 billion in tariffs and retaliatory tariffs? We have the likely launch of the Trade and Technology Council, which is basically an attempt viewed from the European perspective, at least, to try to come up with a common set of standards for the technologies of the future. And they, of course, hope to be able to put a lot of that notorious Brussels effect into those. So again, I think they will be feeling quite good about that. And I guess more broadly, on the notion of a foreign policy for the Middle Class.

I mean, if you probably, if you asked many German politicians, they'll say, well, look, that's what we've been pursuing, sort of classical German mercantilism looking a little bit away when

doing a lot of trade with Russia and China to the benefit of the German Mittelstand, et cetera. But I think when you look at it in a transatlantic sense, European leaders are going to want to think about at foreign policy of the Middle Class also, as a policy that as I think, McComb (phonetic) put it some months ago, or a couple of years ago that he's looking for a Europe or a policy that protects.

And what I mean by that is that he's looking for a set of coming together, transatlantically on a set of global economic rules that offer the Middle Class some protections, not only jobs, jobs, jobs, but in a European sense. Climate protection, various environmental protections, data, privacy protections, a whole list of issues. Protection from tax dumping to get also into some of the current issues.

So, again, I think there is absolutely a long list of things where they will be very pleased with what they're seeing from the Biden Administration to date. But at the same time, I think they also read American newspapers. They understand what's going on in the Republican Party. They see the kind of voter legislations that are being proposed in U.S. states. And they, of course, quite naturally wonder what happened on January 6, 2025. If it's a very close election et cetera, et cetera, fundamentally, can they trust the commitment of the Biden Administration on longer standing issues, particularly climate change, but also others?

So, and that's why the debate about strategic autonomy, et cetera, is not going to go away, but it doesn't change the fact that overall they will be very pleased with what they have seen from the Biden Administration today. And I think they will be very happy to engage constructively with a foreign policy for the Middle Class, even if it entails a modicum of, if you like, at least rhetorical protectionism.

MR. REDIKER: Jacob, before I turn to Fiona, just to pick up on something, would you suggest, because I'm just picking up on your point about McComb's earlier comments that Jake had clarified. So, when he talked about making sure that those policies were good for working families, that he identified them as American working families.

MR. KIRKEGAARD: No, I mean, look, I think that again, there's a very -- I think most of European top political leaders are clear-eyed. That it is about jobs, jobs, jobs in the -- for any

administration. There's nothing new in that, but they also understand what the current trade balance between Europe and the United States is. And for all the talk about protectionism under Trump and to some extent continues under Biden.

The reality is that the trade surplus from Europe to the United States is up. So, I think they understand the politics and they have to, as I said, engage in kind of a rhetorical hesitancy and outrage. But the reality is that they understand, as I said, that the transatlantic relationship is both very important to Europe and very good to Europe.

MR. REDIKER: Great, thanks. Fiona, take us back. How did we get here? The U.S. and (inaudible) relationship in 2021 is pretty different than it was only a few short years ago when president Biden left office as Vice President Biden, what did President Biden inherit and what was the last Administration's view on competition versus cooperation with Europe?

And in particular, what is your role and reaction to Biden's policies that are now framed through the Economic and Foreign Policy prism that as we've been hearing repeatedly this morning and for the past several weeks and months is really increasingly focused on China, China, China?

MS. HILL: So, again, I'm a great to be here with such a distinguished group, and I'm learning a lot from both Jennifer and Jacob, and making quite a lot of notes. And I think looking back on the last four years where I had Europe in my portfolio at the NSC and the time that I was there, the framing was really around where Jacob just left off because Trump was fixated on that trade surplus.

And you might recall that he was constantly comparing the European Union with China as almost kind of a hostile trade competitor. He didn't see the mutual benefit in the massive FDI, the investment from Europe in the United States, because in many respects, it didn't kind of accrue up to him in one respect because the states are very important actors here.

And we were talking at the national level, but all the investment from European companies, which is pretty extensive it's spread across the United States. I mean, from Jennifer for her time at USTR and the kind of obviously, the governors, the mayors, regional actors are really important in those foreign investment discussions with the European counterparts.

Just like Jacob's talking about in Germany about the Mittlestands, all of the German

regions that are really the manufacturing powerhouses, it's the same in the United States. This is not a national level discussion, all of it. So, and Trump was obviously really concerned about getting jobs and getting benefits and things, not letting the state of Tennessee, for example, take credit from large Volkswagen corporation investments, et cetera, et cetera.

And so our conversation got completely out of whack. It wasn't talking about the mutual benefit from this. It was just talking about what the United States was losing in terms of this trade imbalance. And it's an old discussion. It goes right back to after World War II in many respects.

And Trump saw it in that very conventional way of if the United States is paying for the protection of Europe, and this kind of feeds into the discussion at the last panel.

And the United States is responsible for European security in the old conventional sense of military security, not as Jacob is talking about climate and health protections and data privacy, and new forms of security that people take very seriously, but kind of in the missiles and boots on the ground sense. Then the United States should have unfettered access to European markets because we were supposed to be in the shed endeavor after World War II.

Trump said this all the time, we provide a security role in the business of prosperity. We were all making money together. Now, you're making money and we're not, which of course wasn't the case. I mean, the United States was still making money.

And, of course, there's a huge debate about American digital companies that I'm sure Jennifer and Jacob will talk about that are making money hand over fist. And not paying taxes and big debate here as well, but American businesses doing pretty well still out of this too, but, of course, that money is not coming to the workers or stakeholders.

Now, Trump was also not at all focused on the workers apart from getting their votes. He was interested in producing a lot more jobs, but those were jobs without protections. And those protections would be healthcare benefits and other things as well and job security afterwards. And kind of his focus was on unleashing the animal spirits of billionaires and big corporations to take as much money as possible. But not to actually give the workers a kind of a stake in all of this and to improve their overall position.

You might remember under the Trump Administration, this rather bizarre spot that the Administration got into with our Scandinavian counterparts when the -- Jacob's laughing about this -- but you remember when the Council of Economic Advisors, Jennifer, you probably remember this too, but our report about the evils of socialism and communism and the number one offenders at one point in the report appear to be our Scandinavian counterparts, because it was so much more expensive to buy a Ford truck in Scandinavian countries than anywhere else. And this was sort of the evils of socialism.

And for many of us inside the Administration, it was also preposterous. How was this a manifestation of evils of socialism? But and the response from our Scandinavian counterparts, some really important things came out of this, that the problem that the United States is really facing is in the structure of its workers' benefits.

So, what we found is that really honestly, the Trump Administration didn't want to take that on. They're rolling back Affordable Care Act' they're rolling back union interventions; they wanting to sort of stimulate the economy in an old style kind of focus on the corporate side of things not wanting to tax corporations too much, but in return to kind of producing a whole massive smaller jobs that people would have to put together very different from in Europe.

While the focus is very much on giving work as a stake in the larger society. I mean, this is the whole Scandinavian model higher taxation, but as a result of that extensive health and childcare benefits and workers' protection, so losing your job and an equal or relatively equal standard of living for everyone.

And so, we got that whole discussion out of whack. And I think in just kind of looking forward, I don't want to get too much into all of this. But how did we get here? There's ways we can get out of all of this, because Trump framed this is a rather unpleasant confrontation and competition between the European Union and the United States, not just with China.

And we lost the ability to sort of discuss these, some of these discrepancies that have built up since the end of the Cold War, because Germany and many other countries really bought into the idea of the peace dividends. The United States never really did that. We didn't start to kind of,

because of the importance of our defense complex, and also still our defense protections from Europe. We didn't start debating about what we should have in terms of the social protections.

And some of the other things that Jacob was just mentioning about climate and health, and many of the other protections are kind of an economic system that protects. I mean, obviously Jennifer and others have thought about this, and this is where Jake Sullivan and all of the other people who've been touting this Middle Class are coming from of trying to address this. But we've kind of let that kind of be to one side.

And I think there's a lot that the United States could learn from having a really in-depth discussion, a structured discussion with Europe about this. Because really the whole process of European Union integration and of membership has required quite a lot of balancing and rebalancing of economies of the countries that have joined the European Union. The regional development funds, the structural funds that have helped European countries to address some of these issues of inequality, perhaps imperfectly.

And I think Jacob would probably speak to this. A lot of the problems of inequality is rising in Germany. We see it in France and elsewhere. It was certainly a major problem in the United Kingdom, but we could have an active discussion about how we could figure out ways of working together on this, particularly through the fact that there is a huge job creation by the European investment in the United States. But unfortunately, Trump didn't want to talk about that because he wanted to talk about all the time about how we could reverse the trade surplus.

So, we ended up talking about trade and not about jobs, interestingly enough. So, that was kind of part of this this dilemma. So, I think this panel and without people like you, Doug, and Jennifer and Jacob, I think we even could kind of point some ways forward here rather than just analyzing this, because I think there is a way coming out to the G7, coming out of the meetings with the European Union coming out of discussions with individual countries, for the United States to talk about those mutual benefits in ways in which we could all think about how we can protect our citizens and give our work put stakes together.

MR. REDIKER: Fabulous. All right, now, I'm going to, there's so much to discuss. We

don't have enough time. Jennifer, I want to turn to you, but basically this is going to be a free for all, but does Europe benefit or suffer from the dynamic that we've been discussing this morning in the sense that we're talking about tariffs; we're talking about trade policies; we're talking about something akin to industrial policy that is seeping into the American policy ethos in a way that is somewhat different, if not dramatically different than the way it has been for years before.

And I'm just curious, and again, I don't want you to go into too great detail, but we've got everything from the digital services tax global minimum tax tariff. Jacob made reference to the Boeing Airbus, but there's also steel and aluminum. Fiona talking about a wide array of hostile and quotes actions the U.S. took towards Europe, even if it wasn't necessarily to achieve a commonly agreed goal.

Jennifer, could you just walk me through, walk us through whether it is in the context of how I just described it in the anti-China driver of policy or any other way you want to frame this? Because I think that so much about all the different components, it would help take us forward.

MS. HILL: So, I may take it a little bit in the China direction, but let me just say at the beginning, I actually am hopeful that in the end this whole effort to come to Europe as the first sort of ally and partner that we need to work with is a very positive one. Because I step away from it and say that there is still way more that would bring the United States in the European Union into the same place, rather than issues that divide us.

Because I think the trade irritants and I think Jacob is exactly right. Yes, there are these irritants and they are largely around, again, the fact that we still have tariffs on steel and aluminum, and Europe still has its retaliatory tariffs on our products. As a result of that, again, the rumor mills are there that that result that those issues are going to get resolved by the 1st of December.

Yes, we have put already into suspension, the tariffs that we put on each other over Boeing and Airbus. So, those are at least temporarily set aside. And again, the rumors are that that's going to get resolved by July 11th. So, again, you just sort of go through where these irritants are, the dispute over digital services taxes. Again, we are not collecting tariffs on that.

And Europe is not collecting in France and the others are not collecting the digital

services taxes right now. So, again, both sides have said, let's try to work this out. And the hope is that if we can come up with an agreed upon package as part of this 15 percent corporate minimum tax, that that may help resolve the issues around the digital services taxes. So, I'm actually very optimistic on the broader front.

And secondly, I would say where we've had really big differences, they go to a lot of what Fiona is talking about. I mean, at some level, a lot of the pushback in the United States on trade issues relates to a lot of these issues where, again, we are not doing the investment in our people and in our competitiveness that would allow us to address trade issues.

If you just look at how much do we spend, for example, on long-term worker training, long-term support for our workers. In Europe, many of the EU member states are spending between two and four or percent of their total GDP on support for their workers. The United States, 0.27 percent. We are not investing in our people.

So, the good news is that the Biden Administration gets that. I mean, you look at an awful lot of what their proposals are, and it is to basically do a lot of what Europe has been doing successfully. That will put us in a better place with respect to the relationship.

The one that worries me and again, is the one where I think we need to be spending a lot more attention is whether the U.S. and Europe can get on the same page in terms of pushing back against China. And the issue to me is whether it's already too late to get on the same page.

You look at what China has done in terms of trying to, again, pull more of the Eastern European countries, particularly, those that are not yet EU member states, but are aspiring to be EU member states. The Montenegro's of the world that are sort of in the queue to join the European Union and but are very much being pulled into China's orbit. I mean, you look at a lot of what China has done with respect to the Belt and Road Initiative. You have two thirds of EU member states are now signed on to BRI.

You saw Italy sort of proudly come out as the first G-7 member to join the Belt and Road Initiative. You saw just this year more goods flowing between Europe and China and a lot of it over this very highly subsidized rail that is now coming -- you've got freight trains running daily from

China all the way over to London. As a result of this, you are seeing this heavy pull for Europeans to sort of align themselves with China, which I just worry whether that makes it harder for the U.S. and the EU to get on the same page with respect to China.

And at the same time, I look at what could be done between the United States in the European Union to do an important pushback on China. And to me, it's a long list of things that would be in both the United States and the European Union's interests where it would be an absolute win-win win all the way around. So, that does give me a lot of hope that this is the place where the United States and the European Union could really come together is in a common approach to push back on the sort of increasing aggressiveness of China.

And then to me, you add into that to try to get on the same page on climate change, and you see a very strong transatlantic Alliance that could come out.

MR. REDIKER: Jacob, you un-muted yourself. I was just about to point to you. So, let me just frame where I was going to go, but then pick up on Jennifer and Fiona, obviously. Back in December, the Europeans agreed in principle to the comprehensive agreement on investment that the tied China over the tweeted objection, if I can call it that, of Jake Sullivan, there was transition.

So, there couldn't be anything more explicit, would that cause a certain amount of irritation? We're now six months later. Things are in a different place, but picking up on where Europe is on this China issue, which is, of course, dominant, what is your sense of where you're been trying to question and, the more granular level, where are things internally within the EU on that very question? Meaning, is there a coherent set of approach that is likely to take hold, or is this going to expose deeper fissures within the EU?

MR. KIRKEGAARD: I mean, we are in a -- the EU is in a very different place, first of all that it was right before New Year and the agreement and the Chi (phonetic). I would put this down to as much absolutely completely disastrous Chinese diplomacy as, quite frankly, anything that Biden Administration has done.

But what -- the way that the Chinese Government has conducted itself with slapping personal sanctions on European parliamentarians; the way that they have conducted themselves in the

bilateral diplomacy with a number of smaller member states, Sweden, the Czech Republic and others; and, anybody who reads the tweets of the Chinese Embassy in France will also know what I'm talking about. So, no, I mean, I think that -- and by the way, the Chi is basically on ice for the foreseeable future until China drops the sanctions that they have put on European parliamentarians, which I very strongly doubt they will. That deal isn't going anywhere.

Also, Jennifer mentioned the 17 plus one, the Belt and Road Initiative, I think it's fair to say that the current Italian Government under Mario Draghi is in a, shall we say, rather different place. So, it's at Italy's participation in Belt and Road is essentially dead. And if you look at Lithuania has just formally withdrawn from the 17 plus one. If you look at the latest 17+1, meeting look at the number of EU heads of government and state that attended, rather than if you like mid-range, government officials, it gives you an indication that the 17+1, which was always a vehicle that these groups of countries used against, quite frankly, France and Germany to say, hello, we have other partners. We don't have to couch out completely to Brussels and Paris and Berlin all the time.

We have options. Well, now they have a recovery fund that's going to give the Eastern European countries a lot more money than China is ever going to give them. And they don't have, unlike Montenegro, they don't have to pay it back. So I think it's actually, vis-a-vis China, I think we are in a much, much better place than we were only a few weeks, months ago.

The big question, of course, I think is going to be what happens in Germany after the German election. In many ways, the arch mercantilist, if you like, Angela Merkel, who for all her great strengths in many ways, is always a person that has put a lot of emphasis on commercial opportunities in Russia and China while clearly absolutely neglecting democracy in these countries, but also in Eastern Europe. I mean, the reason that Hungary and Poland has gotten to the point where it is, is to a large extent due to the protection that these leaders have gotten from her.

But what kind of leader would the next German chancellor be? We don't know right now it looks like it might be Armin Laschet, but he has to be in a coalition with the previous panelists, Francesca Potner (phonetic) and others. And this German coalition is going to be very different on this set of issues on China than the current government, I believe. The question is how different. But all

that being said, I am quite hopeful and certainly, we're in a better place than we were six months ago.

MR. REDIKER: Fiona, let me turn to you. First of all, thanks Jacob, Jennifer. Let me turn to you, we internally in Brookings in our group had a conversation earlier this week about what decoupling means. And I don't want to put you on the spot, but I want to use that as a starting point for, do you think that part of the U.S. policy whether it is in the context of foreign policy for the Middle Class, or more broadly does include some element of decoupling?

And as a second order consequences of that, whether you say yes or no to the decoupling, because that's more nomenclature than anything else, taking on China is not for the faint of heart. This is not a passing country that in five years will say, what were we even worried about? This is a big deal. In the 21st century, China is going to be a major actor. So, do you think the U.S. and the EU are ready for a policy of being confrontational, antagonistic, or however else you want to define that relationship with China for the medium and longer term?

MS. HILL: Well, I start at the last part of your question and work back. I was just, before joining here in, a discussion that included Rana Mitter, professor at Oxford who is a great expert on China. And he made some very interesting comments that I think he's also written about, and some of our own colleagues at Brookings talk about this too, that China itself, has anxieties about some of this reaction from everyone else.

And there's also kind of thinking itself, this wasn't Rana's point, but it's been the point of other Chinese experts, the Chinese also thinking of degrees of decoupling. Now, first of all, this idea of decoupling completely pulling apart and unraveling all of the ties that have been built up over such a long period, is a bit of an extreme version of what people I think are generally talking about.

We, in our discussion, that you referenced Doug were saying it was a bit of a straw man that in certainly originated with some of our German colleagues. Kind of as a sort of shock horror gas, but what the Trump Administration was seemed to be trying to do at the urging of people like Peter Navarro of kind of pulling away from any kinds of economic trade and financial interactions with China which, of course, is virtually impossible given Chinese massive investment in the U.S. financial system.

But in certainly in trying to kind of reduce that exposure to China. And in some

respects almost not just talking about industrial policy that Jacob and Navarro has already referenced, but almost degrees of autarky. Of making sure that the United States could go back to producing steel and aluminum and all kinds of things itself. Almost as if we were facing a wartime scenario, which that gave the Germans and others a great deal of concern.

Wondering if we were careening off into indeed some kind of Cold War-esque, or even hot war confrontation with China. Be it over Taiwan in some blow-up or anything else that the major disputes in the Asia Pacific, or Indo Pacific region, now as we've come to call, all over kind of an escalation of these trades, confrontations that might result in embargoes and all kinds of other extreme actions.

Now, Peter Navarro and others may have even had some of this idea in mind, but I think as we start to look more broadly at it, it wasn't misplaced to start to think about supply chains and, of course, COVID and the coronavirus, brought that into acute perspective. And I'm sure Jennifer and Jacob and you as well, we'll have something to say about this, about finding that so many things were made in China of things that were essential to have the masks to kind of other protective equipment and all of our supply chains of breaking down.

And plus, we've already seen it, countries, but having to source them themselves and tried to do these things locally. So, we almost did go into kind of a wartime production, not of steel and aluminum, but of kind of more basic things that we needed from our own health and sort of safety and self-protection. But this all kind of brings out this discussion that, as I said, apparently, is also going on in China, that Rana was talking about where the Chinese are worried that, in fact, because of all of these discussions about China and the United States and Europe, all of us focusing on the Chinese Five-Year Plan.

Now, it's 2025 that has them dominating every imaginable sector by 2049. Is it going to have a very clearly expressed sentiment, the One Belt, One Road Initiative; the previous emphasis on 17+1; and all of them trying to increase its investment and its share of economic activity all over the place. The Chinese are now seeing that as a result of this disastrous diplomacy, that Jacob's talking about, but actually, it's now getting a counter reaction.

So, Rana was talking about, and that's why I want to give him credit for this, because it's not my thoughts, about he whether the Chinese themselves are trying to boost up their own consumer economy. They're trying to have, as he put it, some of the people have not really done before, having a dual track approach of building up your own economy and getting all of your kind of consumers to spend as much as possible rather than save and still have a large external profile for your economic activity, which is in a very difficult and to keep currency controls at the same time.

So, I mean, I think we'll be talking about this and I'd be interested to hear from all of you as well, that China reads our newspapers and listens to us as much as we are kind of trying to observe them. And it will be very interesting to see how this decoupling idea plays out. The Trump Administration seemed to kind of have that in some respects set up for that. The Biden Administration is also trying to figure out how do we manage China. Jennifer said there could be a very good way we can manage it together with Europe.

But then kind of the big question is what China does in reaction to that as well. It's not just about how we react, but about what China is also thinking of doing. But I do think that the Biden Administration wants to avoid, at all costs, as everybody does, is an open confrontation with China. Be it on the military front, or on trade. And we have to be very careful as we move forward on that.

MR. REDIKER: We're, we're getting to 11:45 where we're going to try and open it up to you with some specific questions we've already received. But before we do that, I want to just throw one out to you, Jennifer, and then one out to you, Jacob before we turnover. Jennifer, just supply chains have come up at various points this morning.

Just if you could give us a sense of where things stand right now on some of the initiatives winding their way through the Washington policy circles on supply chains and what Europe's role as either friend or foe would be on that. By that, I mean, if you're trying to make supply chains purely national, that's different than if you're trying to make supply chains dependencies include allies. And I'm assuming, no, you can correct me if I'm wrong, but Europe would be considered an ally in that context.

So, if you can sort of give me that. And then Jacob, it would be wrong for us to miss

out on climate as a key component. Not only of the Biden Administration's policies domestically and internationally, but just globally. And so if you could give a sense of where the climate discussions fit right now in terms of the broader context of foreign policy for the Middle Class in U.S./EU relations. And then I'll try and get to some questions. So, Jennifer first.

MS. HILLMAN: Well, so again, the Biden Administration just recently released this 100-day report, building Resilient, Supply Chains, Revitalizing American Manufacturing and Fostering Broad-Based Growth. So, again, a major sort of rapport that culminated in work. And again, it focuses on four critical products: semiconductors; large capacity batteries; critical materials, minerals and raw materials; and, pharmaceuticals and active pharmaceutical ingredients.

And if you read through it, what it is describing is the way in which the United States is going to need to go about shoring up its supply chains across all four of those sectors. And it is a combination of sort of domestic investments, but in every single one of those four product sectors, there is very explicit references to Europe and the partnerships that need to be created in Europe around all four sectors.

So, there's no question that this involves both doing better on the American front, but it also clearly involves reaching out to allies and expressly recognizes the important place that Europe places in its own sort of semiconductor, manufacturing, battery manufacturing, et cetera. So, I think what -- and again, this is an Executive Order, so a lot of this can be done without legislation.

So, again, I think you're going to start seeing, putting into place each of the various agencies that is expressly tasked with what they need to do to make this happen, but some of it will also involve the need for additional appropriations, or will be linked into some of the other larger pieces of legislation that are moving. But I think that's where the initiative is resting. It is not all about sort of decouple. It is about adding in sort of redundancies to a number of supply chains and adding in resilience. It is about saying we should not be sole sourcing.

So, again, whether that's sole source is one place in the United States, or somewhere overseas, that that is not the way to go. And it has as a component to it, the idea that you have to keep the trade routes open. You have to facilitate trade. You should not be shutting down trade. So, again,

I think it has this trade component that recognizes that if we're going to keep our supply chains resilient, that also means keeping the trading system open and flowing. So, again, I think it's it -- I commend the report.

And there's a lot of work that went into this, and there's a lot of meat on these bones. And I think now you're going to see the process of starting to really implement all that can be implemented through Administrative and Executive Action.

MR. KIRKEGAARD: On climate, I mean, first of all, it's actually though -- it's sort of with that -- it's very ironic given where we are now, where Europe is busy implementing an old heritage foundation policy namely price-based carbon mitigation also known as a cap and trade system. Basically, what you're going to see in Europe going forward, I mean, the new proposals for reform of the European emission trading scheme and a whole host of other things is going to come from the Commission in the next couple of weeks. And it's going to mean two things.

It's going to be mean more carbon pricing and higher carbon prices. So, basically -- and by the way, it's also important to recognize that carbon prices in Europe already is 50, it's over 50 Euros a ton now. For those industries and sectors that are included in the ETS, and it's probably going to rise further.

What that means politically is that carbon border adjustment is coming because it's going to start biting industrial producers very soon, and they're going to clamor for protection. So, SEEBAMS (phonetic) are coming. So, the big transatlantic climate question right now is, now that Biden has committed to essentially 50 percent reduction by 2030 from 2005 levels, is pretty much equivalent to Europe's 55 percent from 1990 levels.

So, there's no sort of disagreement over the level of ambition transatlantic. The issue is basically two things. One is the tools. Biden Administration has clearly said, we're not going to go for federal carbon pricing. Maybe Congress disagrees. I'm not sure they will, but either way. So, the question for Europe is can we accept that these other regulatory measures that the Biden Administration are going to put in place, be it sort of phasing out fossil fuel vehicles, or a clean energy 80 percent renewables in the power sector, and all those kinds of things, non-price based carbon

mitigation.

Can we accept that as being equivalent so that carbon border adjustment will not affect U.S. exports? That's an open question. The other open question is also related to what Jennifer said. A lot of this is initially going to be done with Executive Orders, but that takes us back to the problem of 2024. What happens if someone, another person is elected on a Trumpian platform? Commitments for 2030 is probably not worth very much then.

So, the question is what kind of assurances will the EU need from not just the Administration, but from U.S. states, businesses and other climate stakeholders that it's actually serious, that the U.S. is going to meet its commitments by 2030. Because otherwise, we are not going to solve the problem of a SEEBAM as it will be proposed by the Commission also affecting U.S. exports. Right now the bigger, however, as the Board recognize, the big, the people that it's really going to hurt are going to be Russia, Ukraine, Turkey, and China. It's actually not really that much on U.S., but anyway, let me stop there.

MR. REDIKER: There was so much more we could get to on, on any of these issues and I'm sorry, we don't have that time. I am going to turn to a couple of the audience questions and apologies if I don't get to all of them. I'm going to lump two of them together.

These are going to go to you, Jennifer, from David Harley, a board member of Foreign Policy Center in London, and Laura Lee, International Trade Today. How desirable and feasible is it for the U.S. and the EU have a coordinated approach to taxing Big Tech and the second unrelated, but generally similar era is, how likely is it that the Boeing Airbus solution will be found during the four-month period that we are three quarters of the way through?

MR. HILLMAN: Well, maybe I'll start with the Boeing Airbus one first. Again, I think it's hard to know, but the general sense, I think is that they're close to an agreement and we don't know yet what will be the terms of that agreement. But obviously, it's been a long standing issue of how do you deal with subsidies?

And, again, if you go back in time, way back, there used to be an agreement, a large civil aircraft agreement that was in existence at the time the WTO came into being that basically said,

we're going to try to just put kind of transparency notifications around subsidies. There could be an agreement to have some kind of an overall cap. There could be, again, there's a whole lot of different ways in which you could address this Boeing Airbus issue.

And to me, the bigger question is whether it only addresses Boeing Airbus, or whether it tries to speak more broadly to subsidies, or even more narrowly to aircraft subsidies, because it's obviously not just Boeing and Airbus that are in the subsidy business in aircraft. You've got huge producers in Canada and Brazil and China.

And again, whether there needs to be some somewhat of a more global think about what do you do about industries like large civil aircraft that basically cannot get up and running without some startups subsidies. When, and where, and how do you want to think about disciplining those?

But again, the rumors that we hear are that a resolution is coming because neither side, I think, wants to keep just putting tariffs on one another, because that just really harms the people that are paying the tariffs rather than resolving the underlying problem. And on the big, on the issue of how do we tax Big Tech. I mean, obviously what's happening right now is a huge shift. I mean, forever it seems, that the general notion was that tech corporations get taxed, where they are headquartered.

I mean, where they are housed, if you will, physically bricks and mortar kind of housing. And then you had a lot of debates about transfer pricing for all of them, there are operations that were not within their home headquarters. Obviously, now with the rise of digital, where everything is up in the cloud; where a country is headquartered when it can pick up and move to whatever is a tax haven place, doesn't make any sense.

And so we are at this place, we need to rethink the basic fundamentals of who gets the right to tax multinational corporations, where, and what are they taxing? And obviously, the digital services taxes debate has raised this issue writ large because it is departing from the norms in two ways. One, it is a tax not on profits, which is normally the way in which we tax corporations.

It is a tax on revenue. And secondly, it's a tax on revenue where, if you will, the clicks or the generation of that revenue occurred. Where did the advertising go up onto the internet? So, it is taxing revenue as opposed to profits. And it's taxing where the revenue was generated, not where the

corporate is headquartered. So, these digital services taxes, or at least raising, again, this much bigger issue. Again, I think the hope is that this move towards an agreement on a corporate minimum tax will include in it some agreements on these issues about where, when, and how does one tax digital services which again, don't fit neatly into these old boxes.

And that through some kind of an outcome there we can resolve the debate over digital services taxes. You're clearly bumping up against some domestic legal statutory deadlines within Section 301, which is the underlying law under which the United States investigated. And first put out the notion that we're going to put tariffs on French wines, cheeses, and all the rest as a result of the French DST, those 301 investigations have now spilled over into all of these other countries, including many in Europe that are moving ahead with their own form of digital services taxes.

But I think the clear message from the Biden Administration and clearly from the treasury is, they'd rather resolve this in a bigger, broader, deeper agreement that gets at those underlying fundamental problems rather than treating the digital services taxes as this kind of tit-for-tat, if you tax us, we'll tariff you. That really doesn't -- and that ends up sort of harming everybody.

So, I guess I'm going to be optimistic that at a bare minimum, what will happen on the DST taxes is that it will be delayed further to try to let that issue be resolved as part of this broader resolution of where we're headed on corporate minimum taxes, or again, on a new system of international taxation.

MR. REDIKER: Jacob, you've got your hand raised.

MR. KIRKEGAARD: No, I just very quickly to echo what some of the Jennifer said on Boeing Airbus. I mean, I think it's very important to understand that Boeing Airbus and the whole air airplane subsidy issue has huge China and environmental ankles China. China Airbus, sorry, Boeing Airbus is a duopoly, but there is a third producer namely, the China Komack (phonetic), which is trying to build large wide body aircraft.

And I don't think you need to be very smart to realize which of those three gets the most public subsidies today. It's obviously the Chinese. And then when we're talking about the environment, if we're going to go carbon neutral by 2050, we actually have a lot of the technologies to

do that already. It's a matter of really deploying and investment.

Probably one of the biggest areas where we don't have that technology is civil or aviation. We need to develop a new technology for zero or low emission aircraft. That's undoubtedly going to require a lot of public subsidies. So, we need to basically make that possible within that agreement as well. But again, in terms of a deliverable, but for COP (phonetic) 26, I think the timing is about right.

MR. REDIKER: Sounds like you're a fan of industrial policy. Just kidding. We are almost out of time. I'm going to apologize to the audience members who sent in questions that we didn't get to. And I am going to ask each of our three panelists to just give a one minute or so summary, or wrap-up using whatever we've talked about today, or what we didn't get to as a catalyst for whatever points you'd like to make Fiona, why don't you start, and then we'll go to Jennifer and then end with you, Jacob?

MS. HILL: Look, I, this is just a general observation, I think with having such expertise as Jennifer and Jacob and yourself, Doug, it's steeped in this, but then just listening to what everybody's saying, it really underscores the importance of setting up ongoing discussions on negotiations between teams in the United States and in Europe at all kinds of levels.

And not just with the EU as well, but also, the steps that are not necessarily captured within the EU either which causes the UK very much now as well. But really kind of engaging these broad ranging discussions when Jacob, when he was just talking about climate change and planned emissions. I mean, there's a recent article in the U.S. press about emissions from shipping and that's kind of massive, huge cruise ships that kind of come into everybody's harbors, but it's also the massive container ships.

China is a factor of this as well. I mean, China is producing an awful lot of shipping now as well. And, of course, there's the flagging issue and this is a larger problem. But some of the biggest ship insurers and ship owners and those that flag out (phonetic) in the European context. And also above the flagging happening here in the United States. That's another element that we could engage on as well.

But I think the larger point from what Jennifer was suggesting about the older the DST discussions, the 301 investigations, it all just goes to show how much money that professionals like the Jennifers and Jacobs and others to be engaging and listen to on a regular basis. So, what I'd like to see come out of these meetings in Europe is to have a really serious set of meetings and agreements and all funds to carry this forward and to really tackle all of these issues in a comprehensive manner.

And it may be that that will then mitigate again a little bit against some of the problems that Jacob was saying is how much do these commitments matter if in 2024, there's a major change. Because you could also go beyond the Federal level to the State and Local Government level in the United States. And the EU could do that as other European players could do through the consulates as well. Kind of engaging across the country in the United States, because there are stakeholders who are going to remain permanent, even if the Administration changes too.

MR. REDIKER: Thanks. We're running out of time. So, try and keep it brief, but I really think everybody would benefit from hearing from you guys. So, Jennifer, and then Jacob, and then we'll conclude.

MS. HILLMAN: Well, I'll conclude by just trying to give you a short answer to the basic question that you started with, is this foreign policy for the Middle Class in Europe's interest? And again, my bottom line answer is yes. In part, because I think it will allow a transatlantic cooperation on the core issues that are at the heart of this issue of a foreign policy for the Middle Class.

And I'll start with the sort of labor issues, everything from the elimination of forced labor in with respect to the (inaudible) of China on down, I think there is a transatlantic agreement on the importance of the role of workers. And it's more for the United States, I think, to come closer as Fiona was talking about earlier to where, to where Europe already is.

On technology, I think you're already seeing this idea that I guess is going to be announced next week of a Trade and Technology Council, where there really is a sense that the United States and the European Union have got to get together on technology standards so that we do not end up with two entirely tech worlds in which sort of the US, the European technology cannot communicate with and has no interoperability with anything coming out of China and we're dividing the whole world

across tech standards. So, I think, again, a real recognition there.

Climate as Jacob has talked about, I mean, this is another area where my hope is that the United States and the European Union are definitely in the same place substantively where we want to get. And the issue is not letting things like SEEBAM or other things that may be sort of irritants if you. In other words, where we get there in a slightly different way, not letting those get in the way of recognizing that our hardcore interests and our hardcore goals are in the same place.

So, I am optimistic this idea of a foreign policy for the Middle Class actually, redounds to Europe's benefit that it allows for even stronger transatlantic alliances with the United States, but there's a whole lot of bumps in the road between here and getting there. And I'm hoping that we can all stay focused on that bigger picture of a common purpose, a common set of goals that does underlie the basic, again, middle-class foreign policy.

MR. REDIKER: Jacob, we're running out of time and I'm almost inclined to end it there because Jennifer had such a, at least relative to everything else, optimistic note, but I am going to ask for your comments and hope that you keep us at least somewhat optimistic and you don't put it downer on me of this morning's great event here.

MR. KIRKEGAARD: No, I mean, I agree with pretty much everything that Jennifer and Fiona said. I would just say that from a transatlantic corporation perspective, I think what I take away from this, whether or not you view as the driving factor of the Biden Administration's foreign policy as being China, given the type of actor that China is, Europe is going to end up being the indispensable ally because this is an economic, this is a technology rivalry.

This isn't about the fill that gap versus the child and the Strait of Taiwan, et cetera. Europe is going to be an indispensable ally. And so the, as Jennifer just outlined, if the sort of driving force behind the Biden Administration's foreign policy is a foreign policy for the Middle Class combined with domestic agenda of the Biden Administration that quite frankly, it's a massive shift of the U.S. welfare state in the European direction as has already been discussed.

This can only "in my opinion", be good for a transatlantic cooperation, because if you end up having the same domestic institutions, you're going to end up seeing eye-to-eye on a lot more

trade, economic and other issues. So, let me finish there.

MR. REDIKER: Fabulous. All right, Fiona, Jennifer, Jacob, most importantly, Brookings and BOSCH, I'd like to thank you all for your participation and your support this morning. I apologize to the audience we're running slightly over, but I think we want it to get in those last optimistic words from our panelists. And again on behalf of Brookings and BOSCH, I'd like to thank everyone for coming and have a great weekend.

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