THE BROOKINGS INSTITUTION WEBINAR

DO TRANS-ATLANTIC RELATIONS NEED A RESET?

Washington, D.C.

Monday, November 15, 2021

ANDERSON COURT REPORTING
1800 Diagonal Road, Suite 600
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

PARTICIPANTS:

Moderators:

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

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

Panelists:

SUZANNE MALONEY Vice President and Director Foreign Policy The Brookings Institution

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

MICHAL BARANOWSKI
Director
Warsaw Office
The German Marshall Fund of the United States

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

MARK LEONARD Director and Co-Founder European Council on Foreign Relations

PARTICIPANTS (CONT'D):

CONSTANZE STELZENMULLER Senior Fellow and Fritz Stern Chair Germany and Trans-Atlantic Relations Center on the United States and Europe The Brookings Institution

CLEMENT BEAUNE
Minister of State for European Affairs
Ministry for Europe and Foreign Affairs, France

* * * * *

4

PROCEEDINGS

MS. MALONEY: Good morning and good afternoon and good evening to those of you who are viewing this webinar from outside of the Washington, D.C. area. I'm Suzanne Maloney, Vice President and Director of Foreign Policy at the Brookings Institution. And I'm delighted to welcome you to our discussion today which will focus on whether trans-Atlantic relations need a reset.

Since taking office, President Biden has expressed a recommitment to the trans-Atlantic relationship. Speaking at the Munich Security Conference back in February, Biden proclaimed that America is back and the trans-Atlantic relationship is back.

And yet the U.S. withdrawal from Afghanistan and the announcement of AUKUS, a trilateral security pact between the Australia, the U.K. and the U.S. have both raised hard questions for the future of the trans-Atlantic relationship. How have the underlying principles of U.S. policy towards Europe changed in recent months? What role does Europe play in Washington's increased focus on the Indo-Pacific and Asia? What does Europe need or expect from the Biden administration moving forward especially at this critical moment?

Our discussion today will examine these and other questions about the status of the trans-Atlantic relationship and the role of cooperation between the United States and Europe in a shift world order.

I'm fortunate welcome a truly distinguished group of guest speakers here today together with our Brookings' colleagues to offer their insight and perspective. First, we will be joined by a panel of experts from the United States and Europe to discuss the future of U.S./European relations. Then France's Minister of State for European affairs, Clement Beaune, will join Brookings' Visiting Fellow, Celia Belin, for a keynote discussion. In organizing this event, we're thankful for the support of the Robert Bosch Stiftung.

Today's discussion marks the capstone event of the Brookings' Robert Bosch Foundation

Transatlantic Initiative, BBTI, an effort launched in 2016 to reinvigorate trans-Atlantic cooperation on

major global issues.

5

Since then, BBTI has provide a platform for Brookings' scholars to offer a deeper understanding of U.S./European relations, contribute to policy debates and offer pragmatic and meaningful solutions to pressing issues. As we prepare to begin this final convening under this partnership, it's worthwhile to pause and reflect on how the Brookings Bosch trans-Atlantic initiative has enabled policy relevant research and helped us to understand this turbulent time.

In the past five years, Brookings' scholars have tackled many issues including explaining Brexit and its implications for European and Northern Ireland, examining the final years of Chancellor Angela Merkel's leadership in Germany, the rise of the Green Party and what the changes of German leadership will mean not only for Germany but also for European and the world.

We've been studying the implications of the rise of populism, nationalism and political warfare on democracy in the U.S. and European. Analyzing Turkey's trajectory in relations with the West and exploring America's changing role in the world and the future of U.S. strategy towards European including through structures such as NATO.

We are truly grateful for the Bosch Stiftung's support in this effort and for the respect that they have always shown in regards to our research independence. Today's event, as always here at Brookings, reflects only the views of the speakers themselves.

Briefly, some housekeeping. A reminder that we are on the record today. We're streaming live so please send your questions by email to events@brookings.edu or by a Twitter using #BBTI. Before I turn it over to my Brookings' colleague, James Goldgeier, to moderate our opening panel discussion, I'd like to hand 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 which has been so meaningful to us and to all the work that we do collaboratively. The floor is now yours.

MR. ALT-HAAKER: Thank you very much for those very kind words, Suzanne.

Unfortunately, again, virtually. I'm regretting this now I think for the third time because we were meant to meet in Washington and Berlin like in those years before. But I'm even more grateful to everybody who

6

joined both on the panel but also as an audience because I think we all are getting to be Zoomed out.

And then we know that these virtual conferences are only attended by us if we think there is an eventual gain to gain from it and to learn from it. So that is why I'm grateful that you are all here because you're expecting hopefully an exciting debate amongst bright scholars and experts on the trans-Atlantic relations.

Suzanne, nicely formulated commendations that we have did over the last six years. And so, we have covered basically all the big, you know, topics that might have burdened the trans-Atlantic relations. So I guess today's question on whether there should be a reset on trans-Atlantic relations should be negated because obviously we have talked about it all and Biden has taken office and the G20 and the COP26 has shown how important international cooperation is and how important the trans-Atlantic relations is.

But there is obviously not so easy to answer because you have also highlighted there a couple of frictions that have occurred already in the last couple of months and weeks. And I think we have learned that trans-Atlantic relations are both necessary but also under pressure to adjust to change. And so, the questions remain what are the core principles of trans-Atlantic relations? And how do we adjust to the reshaping of the international order? And what role does Europe have to play more importantly in the future?

So I am very much looking forward to this BBTI event that is closing on more than six years, a close relationship between the Washington Foundation and Brookings. But it is not ending the relationship that we have as institutions because I am very happy that we are turning the trust that we have got over this cooperation into an institution and long-lasting partnerships between our two institutions starting this year.

And we can continue to benefit from the intellectual expertise we, I mean the general public on both side of the Atlantic, from the intellectual expertise of the Brookings Institution and the trusting and very productive cooperation that we had in the past. And I have to give the same respect to you because we certainly benefited tremendously from our collaboration over the last couple of years.

7

And I am looking forward to doing so even further.

And today is in a certain way a perfect example of what BBTI is because it is a group of great minds with fascinating experiences coming together and exchange views on current political issues that are going to affect both sides of the Atlantic and am very much looking forward to learning as I always do from BBTI events. And I hand over to the master of ceremony, James Goldgeier, who is going to have the challenging task to moderate those great minds and keep them all in line on the panel. So over to you. Thank you.

MR. GOLDGEIER: Thanks so much, Henry. Thank you, Suzanne. Henry, I just want to add my gratitude to the Robert Bosch Stiftung for the support for this wonderful initiative and for enabling me to be at Brookings for this initiative over the past two plus years. That's just been -- it has just been a great initiative to be part of. And I look forward to the continuing collaboration between the two institutions that you have described.

Great to welcome everyone with this fantastic panel on whether trans-Atlantic relations need a reset. We have with us today, Michal Baranowski, Director of the German Marshall Fund Warsaw office. Where he provides overall strategic direction and leadership for the organization's work in Pole and Baltic states, the Czech Republic, Hungary and Slovakia.

Fiona Hill, Robert Bosch Senior Fellow at the Center on the United States and Europe at Brookings and author of a new book, *There's Nothing for You Here: Finding Opportunity in the 21st Century.* Mark Leonard, Co-Founder and Director of the European Council on Foreign Relations. Also of a new book, *The Age of Unpeace: How Connectivity Causes Conflict.* And Constanze Stelzenmuller, Senior Fellow and Fritz Stern Chair on Germany and Trans-Atlantic Relations at the Center on the U.S. and Europe at Brookings. Former Kissinger chair hold at the Library of Congress and she writes a regular commentary on global affairs for the Financial Times.

And, Michal, we have to start with you given what's taking place right now. The horrific scenes we've witnessed on the border between Poland and Belarus. The Russian military buildup on the border with Ukraine. The reset is sort of a big grand topic. This gets very granular and we're at a time

8

where Poland has been divided with the EU. Poland's -- the restrictions on media freedom, on the independence of the judiciary has led to a response from the EU.

But right now, Poland needs support from its trans-Atlantic partners. How do you see the crises that are unfolding leading to potential greater support for Poland from its EU and NATO partners?

Or do you think we'll continue to see these divides within European?

MR. BARANOWSKI: Thank you, James. And it's wonderful to be with everyone. It's wonderful to be friends and colleagues, Constanze, Fiona, Mark. It's really -- I wish we were all in the same place. Although, I'm not sure if you want to be necessarily here because it's 4:00 and the sun has

set and it's getting colder.

But, James, to answer your question. I wish we did not have these dilemmas that we have ahead of Poland, before of Poland. I wish we did not have the tensions with the European Union, the tensions with the U.S. I wish it was all clear that the values of the alliance are as strong as they should be.

At the same time, you know, this is getting very serious here. And I know that many of us and many of you have watched the news. But we have clearly a case of the question called cynically playing on the misery and weaponizing misery of the migrants on the border. Fiona can tell us more about it, but the conviction here with big clear evidence given the support of Kutman Wabra (phonetic) is that he's not doing this alone that this is a concert effort.

So it's really what we are witnessing is a crisis between Russia and its puppet with the West. And that is playing out at least -- across at least four dimensions. I mean the one that we are seeing on TV is the migration dimension and the poor people being squeezed right there. And as I said, you know, it is getting colder and darker here, but there is also an energy dimension.

We have all seen the fluctuation of gas with both prices and transfer. There is an information dimension and that something, you know, there is a lot of information. And I wish actually on the Polish side that we let in more journalists to make this situation more transparent on our side.

But lastly, but certainly not least, there is an increasing military dimension to this crisis.

9

We have 90 to 100,000 troops on the border with Ukraine. Therefore, Poland is also considering Article 4 consultation along with Lithuania and Latvia. Again, this is getting pretty serious across those four domains. And that's why I'm absolutely convinced that Poland and other border frontline states need the support of both the EU and NATO as a whole. Thanks.

MR. GOLDGEIER: Thanks, Michal. Constanze, meanwhile negotiations continue to form the next German government. What can we glean so far about what those discussions tell us about trans-Atlantic relations going forward?

And how are the issues that Michal just discussed that are so serious and the potential for consultations with NATO under Article 4, how are those being seen in Germany?

MS. STELZENMULLER: Well, thank you. And I want to say as the first Borsch Fellow. Also, thanks again to the Borsch Foundation for bringing me to America again. So at the time I'm living here, but also to Brookings which has been a joy and a pleasure since 2014. So it's definitely a life changing experience so thank you, Borsch.

On the German coalition, I think it's important to keep in mind that there is still a government in place and it is run by the Chancellor Merkel. And have a foreign minister and a defense minister. And from what I gather from my conversations, they are in permanent consultation with allies of other EU states, with Brussels and both EU and HM.

There is a great deal of concern, but it would also be, I think it is only honest to say that there is also from what I can glean here from my conversations and observations. Of course, if someone were inward looking because the country is going through a historic transition.

Where the 16-year Merkel era coming to an end. The social Democrats who have been the junior partner and who seem to feel that they've been in opposition for the past 16 years -- well, they were in opposition for four of those. But they were in three rank coalitions with Angela Merkel.

And there is a sense that the three-party coalition that negotiators are gearing up for a historic shift in policy despite the fact that Olaf Scholz also campaigned to be the, as it was, continuation of Angela Merkel with other means.

10

If that sounds paradoxical, it is. I can't resolve that for you. But the coalition negotiators have handed the -- you know, they were divvied up into 22 working groups of which one group was charged with security defense development, foreign policy, and human rights. Energy, you have a separate group and the European Union have a separate group. But all of them have been working in, I have to say, remarkable discipline in silence. There were no notable leaks.

There was a little bit of hinting to the press. One could talk to people but it was all in deep background. And they handed in their five-page drafts to the steering committee of the coalition negotiators last Wednesday. And those now have two weeks' time to hash out the final coalition agreement with the hopes of installing the new government in December.

I say all this to explain that there is still two weeks to fight about big issues. At the same time, as things around Europe and around Germany are definitely heating up. So we are going to look at a continuation of these two, as it were, world existing next to each other. The inwardly looking negotiator world and the caretaker government trying to run things as well as possible.

I will remind you of an historic precedent here if I may. One that probably Germans don't care to be reminded of and it is October 1998. When NATO was gearing up for a potential air war against Serbia over Serbian militia degradations in Koševo. And the income government, Gerhard Schroeder and Joschka Fischer as foreign minister. Gerhard Schroeder as chancellor. Had to cosign a NATO activation order almost fighter bombers were already in the air on October 12, 1998 together with the outgoing call of people government.

That is probably something this government hopes not to repeat. And I don't think, frankly, that we are there yet. We are as Michal was saying, we're talking about Article 4, not Article 5.

And the German press is even asking whether Article 4 is the appropriate framing of this?

But it seems to me that this new government is clearly inheriting a very, very hard complicated and potentially extremely risky set of issues where there is even if we believe that there is a, you know, vestiges of rationality in, if not immense -- at least in Moscow -- there is a tremendous risk of miscalculation and accidental escalation.

11

And this government is going to have to become very seized with these issues very quickly. So I am hoping that behind the scenes there is a lot of passing on of knowledge in many conversations. I do know that some of the things that they've been talking about and I've just been writing a column about this so I won't go into too much detail. They do make their neighbors like Poland nervous and that is new participation and the potential signing of the nuclear test band. Not the nuclear test band treaties, sorry. The treaty on the band of nuclear weapons, but perhaps we can discuss it further when we're in conversation with each other. Thank you.

MR. GOLDGEIER: Thank you, Constanze. And as always, we'll look forward to your next column.

Fiona, thanks for writing your amazing book. I've learned so much from it. And in it, you explore what you see as the long-term post-industrial convergence among the United States, the United Kingdom and Russia, the rise of populism.

And how should we be thinking about trans-Atlantic relations in the midst of these disruptive forces? And if we are going to pursue some kind of reset or chart some new way forward in trans-Atlantic relations, how do we do that given the tumultuous domestic politics particularly in the United States?

MS. HILL: Well thanks very much, James, for that question. And just again like everyone else, I wanted to thank the Bosch Stiftung and the whole of our Bosch colleagues for their support for Brookings and the trans-Atlantic initiative. I'm also now, you know, like James and Constanze extraordinarily grateful to Bosch for, you know, funding most of our work over the last several years. And really hoping that we can take, you know, some of this forward into different directions.

I think the problem is, you know, as we frame this today around some of these larger issues, particularly issues of domestic renewal which I think are also going to be on the agenda for the new German coalition government and the SPD. I mean Constanze didn't, you know, really talk about that because, you know, we've been framing all of this in the international arena.

Our domestic and foreign politics are all inextricably linked. It's not just the United States

12

and the United Kingdom that are really still dealing with the post-industrial decline going back to the

1980s. But one could also argue that Germany is still, you know, trying to deal with the post-Cold War

reconstruction efforts of trying to bring East and West Germany together, North and South Germany.

I mean I think Michal would also agree that in Poland, you know, many of the tensions

have been between the kind of the cities in Poland that have become, you know, very much integrated

into the rest of Europe. And then rural areas and smaller towns in Poland that feel that they've been left

behind by all of the larger developments.

And that's certainly because in the United States and the U.K. and, you know, I think

France as well with the rural/urban divides and divide between Paris and elsewhere that there's a great

deal of pressure on all governments to come up with a different domestic agenda of building back better

could be the slogan for pretty much every country infrastructure renewal needed. And a whole host of

other issues on that agenda. And including also, frankly, in Russia.

And I think our biggest dilemma right now is how do we deal with the domestic front

which is causing even further divisions and try to still get enough collective action both internally within

countries and then within the trans-Atlantic arena to deal with these other international challenges. And

that's going to be the rub. You know, and I fear -- and this wasn't really the question that you asked me,

but we're all going to be completely derailed by what Russia does next.

And, in fact, you know, Russia is deliberately taking advantage of the disarray that we've

just described. And, you know, I just want to throw this out because, you know, Mark in his book on, you

know, The Age of Unpeace: How Connectivity Causes Conflict. I mean this is kind of the perfect timing,

you know, for this kind of book.

Because all of the issues that we've kind of laid out and that you laid out in the overview,

James and also Suzanne, particularly on energy and, you know, climate change and all of the economic

interactions have actually made a very capricious moment for Russia to take advantage.

Constanze mentioned 1998 when there was a coalition negotiation in Germany going on

right against the backdrop of conflict in the former Yugoslavia. Questions about what we were going to

ANDERSON COURT REPORTING 1800 Diagonal Road, Suite 600 Alexandria, VA 22314

13

do about the Belgrade/Kosovo conflict and, you know, were we going to intervene? We can go back to not so long ago, to 2014 and the annexation of Crimea which took place in March of that year.

And that came after months of wrangling about the coalition in Germany too at that point after general elections, which put Germany a little bit out of contention at the time when Ukraine was trying to arrange its association agreement with Europe.

Russia put pressure on Ukraine. Germany was kind of missing in action at that point because they were focused again on the coalition negotiations which dragged on for months even though Chancellor Merkel was anticipated to be their chancellor again. And, you know, kind of fast forward a few months. Russia took advantage of all of the disarray to annex Crimea.

And I really fear, and I won't go on about this too much because perhaps we can get into this into the discussion. That we're at that particular position again. Although, Constanze is saying that in Germany, they are not even sure that Article 4 is the right kind of level of consultation. In the United States and the United Kingdom, which is how the outgoing equivalent to the joint chiefs of staff in the U.K., Nick Carter talked openly about the Brits as seeing an imminent invasion of Ukraine by Russian forces. And talking about sending British trips. You know, so that's kind of rather an extraordinary announcement.

And there is also in the United States now increasing fears that Russia is going to take advantage of all this disarray to teach Ukraine a lesson, to move into Ukraine and have President Zelensky essentially sue for peace because they want to head off NATO association for Ukraine, the IMF negotiations that Ukraine is in the middle of.

They want to take advantage of an energy crisis that they've actually also helped to push forward so that Germany will also acquiesce on Nord Stream 2. They want to take advantage of all the disarray in the United States over deindustrialization, the efforts of Joe Biden to try to, you know, basically stabilize the situation here. And I could go on and on here.

So, I mean basically we have a whole series of manufactured conflicts right now that are exacerbated by the kind of connectivity that Mark is no doubt going to talk about. And all of our efforts to

14

really get collective action trans-Atlantically (phonetic) to in fact address these domestic concerns along with climate change and the pandemic. And no doubt going to be thrown on their heads by, you know, yet another crisis with Russia, which we've all been trying to avoid.

MR. GOLDGEIER: Great. Thanks so much. And, Mark, now turning to you.

Congratulations again on the new book. I'm very much looking forward to reading it.

I know that you in it, you raise concerns about the threat that China poses to Europe.

Also, I've read the multiple pieces that you have done this year with the Ivan Krastev on the polling of European publics on their views on the U.S./China relationship.

Just building off of what Fiona was just talking about. We've seen an U.S. administration that's come in totally focused on the Indo-Pacific, determined not to get distracted off the focus on the Indo-Pacific. Basically, looking at Europe as, okay, what can Europeans do for us as we focus on China?

And hoping with respect to Russia that Russia would just stay quiet so the administration could stay focused on the Indo-Pacific. Well, based on what Fiona just said, it doesn't look like they're going to get that kind of quiet from Russia. And meanwhile, they're still looking for Europeans to help with -- as the United States continues with its rebalancing of foreign policy to Asia.

So how do we put all that together to think about where we may be in the trans-Atlantic relationship going forward? And particularly this issue of how the European publics are viewing these issues that we have been talking about?

MR. LEONARD: Before I start, I just want to join everyone else by saying how thrilled I am to be with this wonderful group of friends talking about the trans-Atlantic relationship and also grateful to Bosch who have been a great partner, not just to Brookings but, in fact, to all serious foreign policy research outfits.

I mean it's a wonderful thing that you have done in supporting a lot of our work and allowing us to lift our eyes at what is really a difficult moment in the world and a particularly challenging one for the trans-Atlantic relationship, I think, because in many ways we are coming to the end of an era in trans-Atlantic relations. And this is very much about trying to work out what the next era looks like

because the U.S. and Europe aren't going anywhere.

We don't need each other any less, but I think that a lot of frameworks which have dominated and structured the relationship for the last few decades are being put under an enormous about of pressure. And in the way that Fiona was talking about it, you have this constringed clash of geography and history. On the one hand, there is this sort of sense that geography is back.

And that the geography of the 21st century is going to be an Indo-Pacific one. And the U.S. with an incredible amount of discipline and almost kind of brutality is going to shift its gaze from Europe and the Middle East towards the Indo-Pacific.

But at the same time, I think the kind of defining feature of our period of history is about the essential interconnectedness and inter-independence of the world and the way that that is being weaponized. And that's very much what my book is about. It's a book which is coming to terms with the fact that inter-independence creates conflicts as well as harmony.

And many of the forces that we thought would be bringing the world together, whether it's trade, finance, infrastructure, the internet, energy or even migration are being turned into weapons at worse and at best currencies of power. And the asymmetries in that system are being pursued aggressively by different countries that are trying to advance their own interest and to do down others.

And in that world, the trans-Atlantic relationship was only the relationship between Europe and America. Is absolutely central. In some ways even more important than it has been in previous decades. Even if the geography which people are looking at is different. And I think that there is a big disconnect if you think about trans-Atlantic relations at the moment between the way that it is seen in Europe and the way that it is seen in the U.S.

Because I think in the U.S., an elite level, we have entered a period where you have a post-European America. I think the role of European interest is declining. You know, America maybe back, but it's a different kind of America that we saw through, you know, whether it's what happened with AUKUS? What happen on Afghanistan? The sort of relative absence of the U.S. from tensions in the Eastern Mediterranean? And COVID as well. You know, not really much of an attempt to align American

16

policy with European policy.

And I think also in America there is a sense that with Brexit Europe shrinking, it's becoming kind of less. If anything, less important compared to what it was in the past.

And an elite level in Europe, I don't think you do have a post-American Europe. They're still with sort of degree of obsession with the U.S. Sometimes, one which is very self-defeating. People are so worried about encouraging the U.S. to leave and to shift its gaze that they're doing exactly the sorts of things that make Americans very fed up with Europeans being kind of needy, weak, not very good partners on the different issues.

And sometimes, I fear that the kind of Alantists in Washington and in Europe are trying to freeze both sides into a relationship that is not future proof and is based on a kind of degree of negative interdependence rather than a real partnership, which is what I think we need for the 21st century.

But at the same time, I think our publics are shifting as well. They did a lot of polling which James was talking about. Maybe I'll kind of end with that. But it's very interesting that the level of public opinion in Europe. Europeans are very post-American. And I was shocked by some of the findings that we found.

But we did a poll very recently where we asked people how they thought of America?

And we gave them a number of different options, you know. Did they think about America as an ally?

That we share values and interest with as a necessary partner? That we need to work with? As a rival?

As a hostile power?

And, you know, the largest group in every single country we polled did not see the U.S. as an ally, but saw it as a necessary partner. So it kind of moved to a much more transactional relationship. A sense that we have a lot in common with each other and we need to work together. But it's very different from this idea of a natural alliance.

And that reflects also what we found when we asked people what we should do if there's a conflict between both the U.S. and China? But also, the U.S. and Russia where large majorities in every single country surveyed said that the Europeans should stay neutral if there's a conflict between the

17

U.S. and China or the U.S. and Russia rather than taking America's side.

What is surprising to me is that the American public that we polled -- well, in fact, there was the Chicago Council that polled it. But they asked the same questions of the American public. And what they found there is actually that Americans still look at Europeans through a much more traditional prism. So 52 percent of Americans see France as an ally compared to only 24 percent that see it as a necessary -- sorry, as an ally rather than a necessary partner.

And 45 percent of Americans see Germany as an ally. Only 27 percent see it as a necessary partner. I wonder whether that is a good thing or whether if we kind of dig a bit deeper it's because people know so little about Europeans. And they just assume that they have a view of Europeans as sort of Greek chorus that will come along for the ride wherever American foreign policy takes it.

And it's because they have so little sense of what Europeans are for that they have a less kind of nuanced view of what the relationship will look like in the future.

But anyway, that's probably enough about where we're going. But I think there is definitely a disjunction between the sort of ways that we've gotten used to thinking about the relationship and what we need for the future. And both an elite and a popular level.

There are sort of big challenges in charting a journey from where we are at the moment to the sort of grownup relationship that we need between two like-minded players that are no longer going to have the sort of hegemonical lions that ran the world during the post-Cold War era and that confronted the Soviet Union during the Cold War.

MR. GOLDGEIER: Fantastic. I want to bring our three other panelists in on these issues that you've just raised, Mark. Because you're describing a set of really of imbalances in the relationship within Europe, within the U.S., across U.S. and Europe.

And I wonder. You know, when I look back 30 years, I think about the way in which the United States and Europe came out after the end of the Cold War. And, you know, when you look at the U.S. I mean policy towards Europe and Russia was about Europe and Russia. I mean there was this

18

huge opportunity. You know, they do for Europe's East what we did for Europe's West line.

The Europeans looking to the United States to help with the building of a new Europe.

And as I mentioned, we're now moving to an era where the U.S. seems to look at Europe and Russia sort of Europe what can you do for us on China? And, you know, Russia, can you just please stay quiet so we can focus on China?

And you're talking about a Europe that is trying to find its own way and not get in the middle of a U.S./China clash or even a U.S./Russia clash. I mean on the latter if Russia does invade Ukraine again, Europe may not be able to take that approach. And I just wondered historically those kinds of threats -- threats from Russia have brought the allies closer together. We don't know yet whether a similar kind of threat from China would do the same. I'm just curious sort of the role of these threats as we think about the kind of imbalances that exist today. So I'll go to Fiona and then Constanze and then Michal.

MS. HILL: Yeah. Thanks a lot, James. I mean I was thinking as Mark was laying this out. I'm in a great exposition of, you know, a few points. That Poland information of Europeans, you know, exactly as you're just laying it out there, James.

Wanting to somehow -- you opinions of the popular level rather than the elite level.

Wanting to avoid U.S./Russia clash. Any U.S./Russia clash would be because of Europe. A U.S./China clash would be over Taiwan of course. And, you know, their larger Indo-Pacific. And, you know, most Europeans feel, you know, pretty far away from that.

But we can be certainly sure that if Russia does go into Ukraine that China will be watching. And China has many territories. It's not Taiwan. Territorial disputes in the Himalayas with India. Territory disputes with Japan. All, you know, India and Japan. Countries that have close relationships with European actors as well. You know, territorial disputes, you know, all the way down into Southeast Asia too.

And, you know, anything that Russia does can very easily be sort of taken into the, you know, territorial context. We have the Eastern Mediterranean. You know, you mentioned elites in Europe

19

being frustrated that the United States wasn't really present there when the tensions between Turkey and Greece or Turkey and actually pretty much everybody else kind of around the Eastern over energy issues, you know, for example, that being cautious with Israel.

So any incursion of Russia into Ukraine will cast doubt on every territorial issue within Europe. It won't be, you know, quite so relevant for the United States' immediate neighborhood.

So I think that's really going to be the rub. And I'd really like to hear what, you know, Michal and Constanze, you know, have to say about this. Because Ukraine is where, of course, many of the European countries were very disappointed in their history and the kind of post-imperially or after perhaps the collapse of the Russian empire and then the Soviet empire.

Obviously, for Poland, you know, you've also seen Russia upping the ante and talking about Poland and Lithuania making moves on Cali Negras (phonetic). There's been some bizarre commentary in the Russian press about the Polish, Lithuanian common birth that hasn't been there for hundreds of years. And making a move on what used to be parts of Germany, East Prussia, Königsberg. And raising it as kind of -- and Mark is saying these bizarre historical and geographic viewpoints. Not so bizarre but bizarre in the current contemporary context.

You've got Hungary that the Russians have also been encouraging to put pressure on Ukraine. And questions about the Hungarian minority in Ushkaritz (phonetic) within, you know, the Ukraine territory. And questions about, you know, Hungary's role in Europe at large. But the Belarus/Russian weaponization of migrants is directed deliberately on Poland and intended. Absolutely to create a crisis.

Lukashenko's commentary on cutting of the gas through Poland. He couldn't do that without gas and Russia's involvement because it would blow up the pipeline. We've actually seen that happen before when Russia was putting pressure on Tajikistan when they messed about with the pipeline to put pressure on Tajikistan -- that's the reason why they blew up the pipeline. You know, putting it out of action for four months.

So I mean everybody knows that this is just obviously cannot be done without any kind of

20

Russian involvement. And the Russians have bought that back because of the obvious -- it's just 100

percent obvious blackmail efforts that are going on here.

And the United States has said for decades about energy experts from Russia to Europe

into Germany. Obviously, decades going back to the 1960s, 1970s, terrible idea. The interdependence,

as you know, Mark, has already laid out here. In energy can lead to conflict not just commodity and

commerce and we oppose Nord Stream 1, not just Nord Stream 2 and got blown off every single time by

Europeans.

And now, this is Europe's problem. The energy crisis in Europe. It's not in the U.S. So I

think that this kind of popular desire to step back and, you know, leave the U.S./Russia clash on its own is

going to really come back to haunt you because the United States could very well say, not our clash.

Euromaidan was not about the United States. Annexation of Crimea which came out of that wasn't a

proxy worry of the United States of the Russian censor.

And, you know, Europe put sanctions on Russia over the Ukraine after the downing of the

MH17 Malaysian airlines that was leaving from, you know, basically the Netherlands to fight Malaysia

and, you know, most of, of course, the people on the plane who were killed were Europeans as well as,

you know, Malaysians and other nationals. And Europe had to step up.

And time and time again, Russia is using Europe as its battleground. But the United

States is no longer interested as we've said. The battlefield for power of the United States' concern is

over. So in a way, you know, European populations are extraordinarily vulnerable. And it's clear from,

you know, what Mark has said that that hasn't been fully processed. Though, I'm sure in Poland and

Lithuania are not there. It's truly processed at this particular moment.

In any case, I would be really interested to see what Constanze and Michal have to say

about this too because I know what Mark said is very provocative and very important.

MR. GOLDGEIER: Great. Thank you, Fiona. Constanze?

MS. STELZENMULLER: All right. Well, you know, I'm the explainer here not the

defender. Let's perhaps make that clear. Also, I would just remind that, you know, government

ANDERSON COURT REPORTING 1800 Diagonal Road, Suite 600 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

21

transitions have some fairly sort of traditional rules on for outgoing governments to behave, right?

Remember that here a J.A. Sullivan was reduced to Tweeting at the Europeans about the Chinese Investment Agreement that they'd concluded. And felt beholden to these rules not to intervene more clearly. You know, more openly and sort of function as an incoming national security advisor.

I have to say that I have some -- I sort of link it with governments maintaining rules of decorum, right? And my understanding is that there are a great deal of conversations going on behind the scenes. But I think the incoming Germany government would be offended if Merkel took a very public stance about these things, right? So I think we shouldn't assume that nothing is happening. My understanding that it is the contrary.

And when I said that there is one press report about Article 4 that was exactly that, one press report. I can't tell you what's being discussed behind the scenes, and we shouldn't make assumptions.

With that said, you know, one of the historical ironies of German post-war politics is that Social Democrats have had a tendency to want to balance things out and to avoid conflict particularly with Russia. And then be hit over the head with it as soon as they assume power.

Remember the case of 1998 where I was referencing the activation order earlier. In October 1998, as I said, NATO fighter bombers were already in the air and were called back after the signing of the activation order, which remained enforced. It was in, I think, March 25, 1999, that NATO's air war began, the Schroeder/Fischer government was installed.

The air war took 78 days and then remember this. a NATO ground force was sent to occupy the territory of Kosovo. 60,000 NATO soldiers after an air war which had included for the first time in Germany post-war history, Luftwaffe planes. And the NATO divisions that headed into Kosovo pushing aside the Yugoslav troops was headed by a German General Hamiltoff (phonetic).

So I'm just saying that to say that the history has a way of hammering the Germanys over the head with a two by four when they try to avoid this kind of engagement. And I entirely agree with Fiona that there is a very real risk of all of these weaponizations of interdependence by Russia and by

22

Russia's proxies now coming to a head. And I think it will be educational for all of us.

One, I personally regret. Certain lessons of history having to be learned all over again by every generation, but maybe that's how it has to be. I'm less worried about having run a survey once for the German myself for two years on the trans-Atlantic trends. I'm less worried, frankly, about public attitudes and the sort of a move from natural Europe or America as natural ally or Europe is a natural ally to transactionalism (phonetic).

For one, there's always a distinct time lag between policy attitudes and policymaker attitudes and the public. I think if we were looking at policymaker attitudes, the feeling would be quite different. And the other thing is perhaps the transactionalism is also an acknowledgement that the relationship has become so broad and so deep. And so, have gone so far beyond just security issues that it of necessity has to be somewhat transactional. I'm less bothered by this.

What I am bothered by and to be very honest is sort of the risk of all of us sleepwalking into a military confrontation at the Polish border. And that is something where Poland requires all our solidarity. But that also means, if you'll forgive, Michal, that we can't stop having conversations with Poland overrule of law, over lesting (phonetic) the European Union. So Poland has so far refused European Union from Frontex support. And I think, you know, if you want European support then let's also Europeanize, you know, then let's not have it sort of solely on the terms that the appeased (phonetic) government in Warsaw also wants, which is purely bilateral. Thank you.

MR. GOLDGEIER: Great. Thanks, Constanze. Well, over to Michal.

MR. BARANOWSKI: Thank you very much. And Constanze, I'm going to -- given that you've put -- threw the ball my direction, I'm going to use your sentence as well that I'm an explainer and not the defender. And certainly, you know, someone who is whole heartedly taking a position of the government on everything.

But let me make a couple of points that sort of put this also in the context that I wish was better. I mean, Fiona's point is very much along the lines of the understanding here that if we take this as a safe, I would say assumption, by now that this conflict overall is directed from Kremlin just with, you

23

know, different elements to it.

Kremlin and Putin have been very clear that they can act across geographies and across domains. So, you know, we are seeing situation on the bottom of Belarus. We are seeing situation on the border with Ukraine. But there has been more activity all the way in the North in the Artic. And we could see perhaps all the way down in the Mediterranean. So that's on geography.

And clearly, across the domains, right? I mean we are even here talking about at least four with the migration military informational and energy. You can attach to it cyber, if you want. I mean there is -- this is to say there is plenty of space for escalation, unfortunately.

And, you know, and again listening to Fiona who knows, let's say, Russia among us best and also the understanding that we are being increasingly that you are having NDC that Russia is really following, you know, no good when it comes to Ukraine. We are here for potentially a very -- almost certainly very rough ride.

And that's when it gets really tricky of how do we put the pressure back on the Kremlin?

And Constanze, I would fully agree with you that this is also -- and it's a tough moment to do this where our security interests, our economy interests but also our values have to be aligned. It makes us stronger not only as an alliance but as a country.

You know, part of the things that I have -- you know, that I see right now is this migrant -- not the migrants, sorry. Kashanku (phonetic) weaponizing migrants and human suffering is tearing Polish society apart, right? I mean it's we've been polarized for a good while. But it's just tearing us apart even further. So, you know, we have to be watchful with this.

Last point, and I'll stop. And not to scare us even further. But, you know, we have been talking about the interconnectedness and, you know, and Mark makes this the argument in his book that the nightmare scenario in Poland, Baltic states, was always basically something bad happening in the Pacific. U.S. being focused on Indo-Pacific and Russia taking advantage of it in our region.

And I don't know what the relationship would be Moscow and Beijing is exactly. But knock-on wood, and I have no idea if this is, you know, this is the scenario. But if we are all focused here,

24

I just worry a little bit about the flipside scenario as well and I'm sure that policymakers in D.C. especially have to think about it as well. Thanks.

MR. GOLDGEIER: Well, that's quite a bit that you've all put on the table. I do want to now bring in our audience because we have a number of audience questions.

And, Marks, so I want to go to you with this first one. Flora Adamian (phonetic) who is a student at Georgetown University asks, how does the Biden administration and EU go about building a trans-Atlantic relationship that is strong enough and integrated enough to survive future unfriendly leaders and crises?

And on leaders, I mean, you know, we've seen sort of -- she uses the word unfriendly. But certainly, we have seen difficulties in relationships such as those in the previous administration between Trump and Trudeau and Trump and Merkel. We've also seen more recently Johnson and Macron. We've seen the challenges posed by leaders like Orban and Erdogan. I mean how do we think about the role of leaders in addition to the kind of crisis that Michal and the rest of the panel was just speaking about?

MR. LEONARD: Thanks. It's a wonderful question. And I think that it's a really profound insight actually. We can't build a relationship around leaders. Leaders can't save the trans-Atlantic relationship. They can maybe destroy it.

Fiona, can tell us more about that. She's unfortunately more of an expert than any of us about those sorts of issues. But actually, even those leaders weren't able to destroy the trans-Atlantic relationship. And I think structure does kind of matter quite a lot. We have a lot of quite profound interests in common, which, you know, whoever is in the White House, whoever is in the Elysée on the one hand makes the relationship inescapable because it is so kind of tightly bound together on the one hand.

And secondly, on the other hand, we can't change the fact that Paris shifting in the 21st century. The Cold War is over and trying to build a relationship which looked like that which we enjoyed during quite different constellations of global power isn't going to work either. And that is really what I

25

think the challenge is. You know, the future relationship needs to be about on a recognition that as we move further and further into the 21st century, our relative population size, economic power, other kinds of assets is going to be shrinking.

China is going to grow. And therefore, we're going to have to think about situating the trans-Atlantic relationship in a much wider network of relationships with other players and try and work out how we can align with them as much as possible. And work out how our interests could develop with other countries in the Indo-Pacific and beyond.

But also, you know, we are going to have to grow up as well. It's completely -- it's very tough on a nine-year-old and a 12-year-old. And it's very difficult to explain to them why 450 million Europeans think that they can depend on 400 million Americans for their security in a way that we have in the past. It's not that kind of intuitively understandable setup that we've developed in the past.

And therefore, you know, Europeans are going to have to take more responsibility. We are going to have to realize increasingly there are geographies perhaps in different directions. Most Europeans think that there is a Cold War between China and America going on at a level of public opinion.

And to the extent that they think Europeans are involved in a Cold War has more to do with Russia than it is to do with China. And that is not going to come as a big surprised that everyone is looking at the media at the moment. And that is I think leads to some of the facts which are going to been to be built into kind of a future facing relationship.

But I think the starting point has to be real honesty about what's going on and I think that's something where the trans-Atlantic -- where Atlantists have always been the best friends of the long-term interests of this relationship. Because we have often times tried to minimize the conflicts and the tensions and to pretend that things are better than they are.

And I think that it's only by being really honest about what our respective interests are going to be in the future. Where they overlap, where they don't overlap and what kind of investments, we're going to need to make in order to have a sort of grownup partnership. We're going to be able to

shift public opinions or as willing to do anything at all.

Because I think the big challenge to all of this is what Fiona, Michal, Constanze all have been talking about which is the primacy of domestic politics. It's kind of crazy that you're going through this period of geophysical transition at a time when nobody wants the foreign ministry of Germany. No one in the U.S. wants any kind of foreign policy except one that helps the middle classes. That's the one that they're interested in. It's not necessarily an Indo-Pacific one or a European one. It's one that is going to help America's middle classes.

And, you know, the Polish situation is a perfect example. The Polish government pretends on the one hand that it's facing an existential threat. At the same time, it doesn't want Frontex to go help it. And isn't willing to do the basic things to show other European countries that it is an ally of theirs that shares their values. If it really is such an existential threat, then maybe you should put your foreign policy ahead of those things. And if not, don't be surprised if you don't get a kind of future amount of solidarity coming forward.

I think that's one of the kinds of the most scary things at the moment is how little bandwidth there are to deal with these really big issues. And that's when you get really disastrous accidents happening when everything is ordered around the personalities of the office holders and around domestic politics. And there's not enough focus on these bigger structural things.

So I think it's a really good question. But I think, you know, as experts we should be completely blind to whoever the -- what the personalities of the incumbents are. We can't build something that will last if it's based around leaders. It has to be based on really, really hard-core assessment of what our common interests are.

And I think that does also require an educational role for that job because I think

Europeans have got a lot to offer the U.S. in terms of its interests. Much more than most American

foreign policymakers realize. But it's a different offer. You know, if the future battlegrounds are going to

be about technology and about a trading system and about how we handle a lot of these global

commons, Europeans can be much more useful partners than they are if we're simply thinking about, you

27

know, what kind of expeditionary forces we can send into Afghanistan or other theaters where Europeans will see haven't got a huge amount to offer. Anyway that's how I see it.

, ,

MR. GOLDGEIER: Thank you, Mark. Fiona, the next question really follows on what

Mark has just been discussing. My American university colleague, Michelle Eagan, asks how should we

move beyond aspirations, values, discussions to concrete deliverables in a trans-Atlantic reset?

MS. HILL: Well, I mean that is a tough question, isn't it? Because I mean we do need to,

you know, as we've all been saying here, figure out mechanisms for collective action. And, you know, I

don't know whether we've really got the structures for this as well.

And partly that's because of the misalignment which is always the case of, you know,

kind of electoral calendars. You know, I mean we've already pointed out that all of these kinds of crises

that hit Europe seem to happen when Germany has its endless -- I don't want to be rude -- coalition

agreements going on and, you know, can't really do anything.

And look, we've got a similar problem here in the United States, haven't we? I mean the

Europeans, everybody is complaining all the time. Where are all of our ambassadors? You know, we

have only got like seven through out of --recently, through Congress because of the snarl ups that we

inevitably have for our own political parties' infighting.

And ambassadors play an extraordinary important role, but, you know, so do these, you

know, kind of working structures. And although we do have people and players, we have excellent

charges that have been, you know, set up in all of the key embassies by the State Department. Those

are not usually seen as individuals who have the full kind of potential authority to carry through, you know,

certain -- on certain commitments.

And so, it gets back to that bandwidth problem. And, you know, I think in some respects

almost Congress and, you know, kind of parliaments around Europe maybe are better players to some

degree because they have the permanent staffs who can engage. And we might be able to find

structures in that way.

But this is actually what we've got. We're looking for structures. When I was at the

ANDERSON COURT REPORTING 1800 Diagonal Road, Suite 600 Alexandria, VA 22314

28

National Security Council, you know, beyond the elite frictions of the level of the president. We did have

some structures in place, but each time, you know, you move that on to the next administration, they get

rid of them. And, you know, even the people who are detailed there get moved on after a year or so.

So I think what we have to do is find some permanent structures. It often ends up being

these kinds of events with think tanks. You know, as we've said, I mean with our relationship with Bosch,

with the EECFO, with GMF. You know, we end up talking about things in a more regular basis often than

our governments do.

And so, how do we translate that? And I think that's kind of read the message. We have

to figure out how we setup, you know, permanent structures? And that we can continue, you know,

through all of the different political sequencing and kind of the disappearance of all the people that people

are talking to. You know, is kind of figure out how we keep this on track.

NATO has those permanent structures obviously. The EU has those permanent

structures. But we don't really have them in the trans-Atlantic relationship, and it might be something to

think about.

MR. GOLDGEIER: Great. Thank you. Constanze, we have an interesting question.

MS. STELZENMULLER: Well, well --

MR. GOLDGEIER: Here, I want to --

MS. STELZENMULLER: I'm sorry. Go ahead.

MR. GOLDGEIER: Let me bring in this question and you can also respond to what Fiona

was just saying because this builds on that answer as well.

So Aneska Kurjay (phonetic) asks given the decrease of U.S. credibility in Europe post-

Afghanistan and AUKUS, Britain's exit from the EU, Poland's political backsliding and France's insistence

on European strategic autonomy, which countries can we rely on to maintain trans-Atlantic ties?

She didn't mention Germany so I'm -- that seems to move to you to be able to answer

that question.

MS. STELZENMULLER: Look, I think -- if I look back on my sort of more than 25 years

ANDERSON COURT REPORTING 1800 Diagonal Road, Suite 600 Alexandria, VA 22314 Phone (703) 519-7180 Fax (703) 519-7190

29

as a journalist and an analyst. I'd have to say that the sausage making of debates on the use of force and the military instrument in Berlin is usually unedifying, right?

It takes too long. Everybody else is scared shitless and then the Germans come around. Sorry, I probably shouldn't have used that word on the air but forgive me. I am feeling somewhat exercised about these things.

The truth is that we have in the past been able to rely on the Lukashenkos, the Putins have increasingly the Cheung Pings to focus European's and German's attention and to harden their views and to make them stiffen their resistance. And, you know, I mean it took the Germans a long time.

They are resistant to advice about guidelines, but they have been holding together the sanction consensus against Russia in Europe for, you know, seven or eight years now. And against real resistance from, say, Madrid, Rome, or Paris. And at an actual cost to German business. Positions in China have really hardened.

The Germans have nearly doubled their expenditure on the federal armed forces. That's still not good enough, but that is what they have to do, you know. It's not that nothing has been happening here in this space. And so, I fully expect this to be -- I mean again, it will take a long time. There will be public displays of reluctance and then I think it's going to happen.

But right now, it seems to me that both the Lukashenko and Putin aren't really at great risk of over playing their hands. If the threat that they appear to be deploying materializes in any further form -- and particularly in the form of an invasion of Ukraine or even worse, in the form of threats or attacks on an actual (inaudible). I think that is -- that really is the end.

It's also -- every time Putin has done this kind of thing, he has found himself ultimately in possession of really problematic real estate that has given him very little tactical or military advantage and has occasioned huge political cost to him in terms of his relationships with what he thought of as key bridge heads indicative of which Germany wasn't the central one.

And so, I think that the Kremlin is playing a very, very dangerous game here. And I assume that Chancellor Merkel is in the process of making these representations to him and presumably

in his mother tongue so that there is no risk of misunderstanding.

And finally, I just want to say on Fiona's point. I mean hopefully the whole point of the trade and technology council is too standish next to the North Atlantic Council, an arena in which the U.S. and Europe can talk about nonmilitary issues, which of course increasingly are also security related in terms of the weaponization of the supply chains and things like that. And in that I think there's a really good departure in terms of stabilizing the relationship and making it more resilient against, you know, future bad leaders wherever they might pop up.

MR. GOLDGEIER: Great. Thank you. Michal, I'm going to ask this next question and then explain to you why I'm asking you to respond to it.

Rasmir Mesondagard (phonetic) from DIIS asks is the bipartisan consensus on U.S. foreign policy towards Europe a thing of the past? And if so, how does Europe react to this?

We've seen over the last 40 years how important a bipartisan consensus has been on the support for Poland. I mean going back to the early '80s and the support for solidarity and then into the post-Cold War period and support for Polish membership in NATO. We see more broadly, we've seen bipartisan support for NATO. The visit in 2019 of the NATO Secretary General and his address before Congress and the bipartisan support we've seen there.

As you look from where you're sitting towards the United States do you still see this bipartisan consensus both respect to Poland and then more broadly with respect to NATO?

MR. BARANOWSKI: Good question. You know, this is a tough one because I would love to answer with a sure statement. United States should have a bipartisan policy towards Poland and towards Europe as a whole.

We should have bipartisan consensus in Poland when it comes to trans-Atlantic relations. The fact is that it is -- and I really, really believe in this of course. The fact is that it has gotten more partisan because of the, you know, partially because of the increasing differences in our politics in domestic developments and decrease of democracy in our part of Europe. And frankly, also because of this, you know, what we were talking about very strong leader to leader relationships that then don't

31

survive changing administration.

I mean this was something that was unfortunately very, very clear here with, you know, basically almost personal or mostly personal relationship with President Trump and sort of overplaying the worser Trump relationship rather than having it in more bipartisan basis and engaging with Democrats in Biden's administration early on.

You know, this actually does speak to why -- what U.S. and what Biden's administration is talking about as, you know, the role of democracy, the centrality of value in foreign policy. Why it actually makes a lot of sense. But let me also say even though we are talking about this in a very dire situation, but I would not want to see -- I would not advocate in any means to conditionality or connection between security and domestic development.

The U.S. has not yet developed a clear policy of what to do with countries that are important strategically, are in strategically tough places. And on top of it are increasingly not meeting the values of the alliance. It's a very tough dilemma. It would be tough at the best of times, but it's not the best of times at all.

And on top of this let me just sort of connect it all to what Constanze was saying, you know, and has been saying. You know, Poland is one of those places where, you know, we've been talking about Europe as if there is one Europe. And there is, of course, not one Europe. And especially when it comes to trans-Atlantic relations.

You know, Paris keeps talking about strategic autonomy. In Warsaw, we either have this huge strategic cog to the U.S. or our concern about the new administration. And Germany is actually being pulled by these different forces and is very central in this debate. And I'm not sure what Germany, frankly, is. Is it still, you know, strategy patient or a little bit more?

But Constanze, you know, here this is to you. And you are a dear friend and we have been, you know, we've been having these a couple of times. You know, this is going to be a test for Germany. Also, you know, not only in the trans-Atlantic context but in the Berlin/Moscow context. And of course, Germany has been tremendously helpful on many, many fronts, but the question will be to what

32

extent Germany is ready to play the role, a security role, in Central and Eastern Europe? Also, in the

Ukraine context?

And of course, I have to mention our favorite pipeline, right? I mean the Nord Stream 2 is

something that is on one hand a huge bargaining chip. On the other hand, changed that security

dynamics in our part of the world. And that's, you know, that's not a European decision. That was in the

end a German decision. So with this friendly comment to my favorite German, I'll stop.

MR. GOLDGEIER: Well, I appreciate that and I'm going to have to let you continue that

conversation offline because we have come to the end of our session. And Mark, Fiona, Constanze,

Michal, so grateful to you for all of the wisdom that you've shared with us. I'm so grateful to our audience

for the questions they've asked. I apologize to those people whose questions we were not able to get to.

And I'm thrilled to be able to turn the floor over to my wonderful Brookings' colleague,

Celia Belin, who is going to take us into our next session. So, Celia, over to you.

MS. BERLIN: Thank you. Good morning, everyone. And good afternoon to our friends

in Europe. Thank you, James.

My name is Celia Belin. I am a Visiting Fellow in the Center on the United States and

Europe at the Brookings Institution.

Minister Clement Beaune who is going to join in a minute. Bonjour and welcome. Thank

you for joining us today for our Brookings Bosch trans-Atlantic initiative conference.

For our audience joining us today from around the world, Clement Beaune is the Minister

of State for European Affairs attached to the Ministry for Europe and Foreign Affairs. Prior to his current

position, Clement Beaune was special advisor to President Macron on European Affairs at the Élysée

Palace.

Minister Beaune has seen firsthand and contributed to the development of President

Macron's European policy. And it is a great honor for Brookings and myself personally to have him join

us today. Hopefully, we'll be able to connect very soon.

So I'm being told that the Minister will be on very shortly. Thank you for our audience for

ANDERSON COURT REPORTING
1800 Diagonal Road, Suite 600
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

33

being patient with us.

MS. BELIN: Again, I can see that the Minister is almost joining. Sorry for the technical difficulties. Minister Clement Beaune, welcome, bonjour.

MINISTER BEAUNE: Bonjour, sorry for the technical issue. I think we are set now. Thank you very much.

MS. BELIN: Thank you very much. I already had started introducing you and saying that you are a Minister of State for European Affairs, attached to the Ministry for Europe and Foreign Affairs. And for our audience around the world, welcome. Thank you, Minister Beaune, for joining us. Sorry for the short delay. But I'm particularly honored this morning to host you at Brookings, and it's a great honor for Brookings, as well, because I believe our conversation today could not be timelier and more meaningful.

We meet virtually at a time when France is facing mounting challenges to its cohesion, both internal and external, at a time, also, when France and the United States just reaffirmed the strength of their relationship, embedded in a strong U.S.-European relationship, too, and a time when France is about to start the six-month French Presidency of the European Union, on January 1, 2022. So, for all of these reasons, I'm delighted that Minister Beaune has accepted our invitation. If, in the audience, you would like to submit a question, please tweet it, using the hashtag #BBTI, or send it via email, to events@brookings.edu.

So, in recognition of the fact that this conversation is hosted by Brookings, which is a prestigious and influential American thinktank, Minister Beaune, I would like to start with a question on Trans-Atlantic relations, if I may. Trans-Atlantic relations are often a crucial factor of European foreign policy, but also European politics. Recently, the relationship of France with the U.S. was badly damaged, after the announcement of AUKUS, the submarine deal between the U.S., the UK, and Australia, which implied the scraping of France's own security pact with Australia. Foreign Minister Le Drian called it a betrayal of trust.

But fast forward a month and a half, the situation looks much better. Last week, Vice

ANDERSON COURT REPORTING
1800 Diagonal Road, Suite 600
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

34

President Kamala Harris was in Paris, where she met with President Macron, and it was the last of many high-level meetings that took place, since the crisis erupted. So, I would like to ask you first, do you believe that the crisis is now behind us? But, also, I wonder if you think whether Europeans should take the crisis as a cautionary tale for their own relationship with the U.S. What lessons do you believe Europeans, in general, should draw from this crisis?

MINISTER BEAUNE: Thank you very much. I think there is a -- to specifically mention of this AUKUS moment and AUKUS crisis, which is not something minor and something which should be forgotten about because I think it was a moment of strong difficulties, in terms of message, in terms of trust, that's for sure, and this is not something which has disappeared. I think President Macron and President Biden have worked hard to make sure that we were not trapped into this moment of lack of trust, and this and that, or awkward message that was used in this case.

But the most interesting thing is what goes beyond, I think. And if I wanted to be, in a way, productive, I would say that the interesting message and lesson is more for Europeans than for the U.S. or for the Trans-Atlantic relation, directly. When I say for Europeans, it's because we should be aware, all of us. This is a fact, I think, beyond this and that episode, that we need to take more responsibility.

What is interesting in the discussions which took place between President Macron and President Biden, in particular, is the first phone call after this crisis, for instance, and their communique, it's a joint communique, is that the U.S. has insisted itself, the Biden administration, and the fact that European defense should develop, and you may cite diplomatic comments or polite comments. I think it's mostly that. And, for France, it was important that it was said by the U.S.

It creates, also, a way to say to our European partners, it is not just a kind of crazy

French thing to think that we should take more responsibility. It is not an anti-American or anti-Trans
Atlantic message. It is a pro-Trans-Atlantic message to say, you are Europe, in different forms, should be a bigger player in security and defense, meaning invest more, meaning developments, or in defense industry, meaning take responsibility for some specific areas, regions, or topics, Sahel, for instance, even

35

if -- with our -- also cooperating with the U.S., there, but all -- for instance, cybersecurity, which would be a grueling challenge for our security, for our democratic functioning.

Do we think that's to protect ourselves against cyberattacks, to share intelligence? But what happens with Russia and other players in Europe? We will count, 100 percent, on U.S. support, on NATO support. I think it will be a big stretch, and it will not happen this way because the U.S. will be the first to encourage Europeans to take more responsibility. So, in a way, I think we will make a mistake to say, okay, this was a tough moment, we have gone through it, and we go back to start to guarantine.

I think we should use it as a signal, but getting to the U.S., but to say we need you to take this additional responsibility, not killing the Trans-Atlantic partnership and damaging NATO, not also summing up the Trans-Atlantic relationship. We may revert to that, to security and defense, because I think it's a big challenge and we are not thinking enough, is that the Trans-Atlantic relation is not the Trans-Atlantic relation we have known, for decades, until the early 2000s. So, it goes beyond security and defense, and the Europeans in this area should definitely spend more, invest more, take more responsibility, articulating this with NATO and the U.S.

MS. BELIN: So, on that front, because you say that Europeans should take more responsibility, today, the European Foreign Affairs Minister met to discuss, among other things, the EU strategic compass, at least the working document that has been submitted, which is a process that is meant to come up with a common threat analysis and decisions on partnership or a capacity development for the Union. And in this context, High Representative Josep Borrell called for the creation of an EU rapid deployment capacity, which would be a sort of joint military force of up to 5,000 troops, because, in his assessment, Europe is in danger, and Europe, the EU, would risk strategic shrinkage because its strategic theater is contested. Do you share the assessment of Josep Borrell? And would the creation of a European rapid reaction course be a welcome illustration, in a -- from a French perspective, on the road of European strategic autonomy?

MINISTER BEAUNE: Well, there have been some comments or skepticism on the technicalities and the modalities of this enforcement of this idea, but let's be clear and simple first. I think

36

it's a good idea to push for this type of force, this type of European responsibility and talk. We will discuss the strategic compass. It's the first proposal by High Representative Borrell in the coming months, under the French EU Presidency, in the coming months.

Why have we discussed this idea of a rapid force? A number of people have asserted because, in the past, there has been quite a lot of times this type of proposal. Let's create the force, rapid force battlegroups, that we -- as we called them in the past. The problem is that we sometimes agreed on this type of idea, but we never really carried it out. Why? Because I think what missed -- what is missed most in the European debate on security and defense is not to have a flagship idea on this force or that force, but it is to have a strategic -- common strategic culture.

And while in the proposals of Mr. Borrell, I think what is most important is this mere idea, as you said, of a strategic compass, meaning common analysis of strengths, common analysis of priorities, common planning on organization, anticipation of all these strengths and issues. And when the Europeans, later, when the Europeans will have this common analysis of priority in the Indo-Pacific region, where we should do the Sahel, how we should deal with Russia, and so on, it will be much easier than to decide on the rules.

So, it's not questioning the rule, itself. It's to say the most important feature of this strategic compass and the most -- the missing link in the European debate is not like the nice striking idea of this force of that Minister with his people, but in the strategic culture, in the sovereign speech and Europe, that President Macron pronounced a bit more than four years ago now. He said we need three things regarding European defense. Common budgets, we start to have it. It's called the European Defense Fund. It's small, but it's starting. A common force, we can have -- we can discuss the priorities and the numbers, but this is necessary. And President Macron, himself, told us, as a long-term perspective of the European Army and to say we need this force and start a classic army (phonetic) with a winning strategical (phonetic) force.

And third, and maybe even more important as a common strategy culture. We are starting to work on this, and the strategy compass, I think, is very important because it may be seen as a bureaucratic administrative document. If it's well done. I think it will be well done. It's the first time we

37

will have a kind of white hook, as we say in the defense planning or common review in -- depending on the national systems, one defense on security, agreeing on the strengths analysis and priorities.

And just to take an example, I think it's true for all the debates we have regarding defense, where we love starting with France, to be very frank, and to display concepts and you have philosophical debates and strategic autonomy, European defense, how we call it is a pillar of NATO, it is outside this framework, and so on(phonetic). This is not a priority. The priority is to have concrete steps forward.

The example I wanted to mention is Sahel, okay, because what we are doing there, de facto, is European defense. You may call it whatever you like. France has been acting. We've felt we were a bit alone, at the beginning, in looking at how you can publish for support. We have, now, more than 10 member states of the EU. It is ad hoc forward and ad hoc operation, which are there with us, in this taskforce called Takuba Special Forces, active there from Estonia to Poland, with the Nolde countries, as well, I'm certain, fighting with us, or it's more, but we are a de facto kind of frame-worked nation, in this specific framework of Sahel and this operation. This is concrete European defense. It's better to have this support from member states, rather than having a long European Summit discussing what we call Ethiopian sovereignty, European defense, and so on.

MS. BELIN: Well, actually, talking about concrete issues, you are -- we are currently living through a crisis that is potentially questioning our common strategic culture or our common threat assessment, namely the crisis at the border between Belarus and Poland, but also between Belarus and two more European member states. And these past weeks have been particularly difficult on that front, with Belarus weaponizing migrants to put pressure on the EU, and it has been considered by EU leadership as a hybrid attack form.

How do you think Europe should react to this intimidation attempt? Do you believe that European member states are united in -- on their assessment of the situation? For example, you professed, even today, in the newspapers to the U.S., that France and Europe should show total solidarity with Poland. But is it a test for Europe? Do you believe that you can achieve this total

38

solidarity? And is it a test for this strategic culture that you are calling about?

MINISTER BEAUNE: Thank you very much. It is a test, indeed. And I think it's also a very good -- a very nasty example, but a very good example of what European -- will security be on defense, strictly speaking, is about. If we pass this test, I think we demonstrate that European security means something. It's typically an example in which Europeans should act for themselves. I mean, we will be in line with the U.S., with probably the UK on sanctions, and so on. But it is, for us, to solve this crisis.

What is it about, to explain it simply, this European dimension (phonetic)? It is certainly not a migration crisis, as we have gone through in the past. It is not a migration wave because it's only, if I may say so, a few thousand people. But it's a well-organized, very cynical operation by the Belarus regime, against EU. And to be even more frank, if Poland is targeted, at the moment, along with two of the member states, but more Poland in the last days, it's because we have these internal debates that seems part of the picture with Poland, and rule of law and sun, and we should not fall into this trap. We have this debate. It will go on with Poland. I'm quite vocal on this, as you may know. And it will remain. But at the moment, it is a European test, an EU test.

We should display solidarities. Displaying solidarity means finding solutions, European, themselves. For instance, I think, very concrete examples, a European diplomatic work is that France is part of, very actively, you know, with Mr. Borrell or with our capitols, to put some pressure on countries which are taking part implicitly or explicitly, whatever, in the fact that there are flights from Middle East, mainly, or Turkey, to Belarus, bringing these people that are then sent by the Belarus regime to the border. We have to work at that, and we had some successes, in the last days, suspending some flights.

Then, we have to be very clear on the other -- the other ends of the train of problems. We should be very clear that we defend our border, and this is where I say 100 percent solidarity with Poland, with Lithuania, with Latvia, we should hold our border, and we should use, also, European means to do so. And what I -- the only thing I will say to Poland is -- which is not a lack of solidarity, but a strong proposal, is that -- please resource with these European leaders. Context, our Border Cost Agency is still

39

quite small, but it is there. It can help. It is helping Lithuania. It could help Poland. And I think it would be a common interest.

And the third element is to be extremely clear, also, which is not a nuance in the solidary, on the fact that the way we should, I mean, toughen our border, or have border police and be very clear with -- against Lukashenko regime, that we should do this following our rules and values. That would be another trap into which we should not fall, that Mr. Lukashenko, I think, would be very happy about. It's to say these Europeans, these -- you guys are very nice. I give more lessons to everyone in the world, and they are the best kind of human right revolution but look at what have we managed. They are putting barbed wires, they are doing -- building borders, and so, I think we should not do that, to be frank. This is a difference we have with some governments in Europe, I admit it.

But if we have barbed wire, all of the external border of the EU, this is not the same as having the border police welcoming some people which have arrived for asylum, helping the people for which, for some reason, have already arrived in Europe. We should treat them in a human manner, and not doing pushbacks, not putting barbed wire, not being excessive in the way we maintain order and maintain the border. This is in balance, which is sometimes difficult to strike, but that we need to strike. Otherwise, we will be not as true to our European way to defend the border and to protect ourselves.

But this is a test in all these respects, I think. I'm quite optimistic, besides with the work we are doing with the flights, with the sanctions. We have decided right now, actually, in Brussels, with the pressure we put on Belarus and the way we are also handling our border, holding our border, sorry. We will be effective in this crisis management, I hope, but this is a big test. If I put it differently, and I will finish there, that will be crazy, if we think about it. That's a few thousand people ill-treated by Belarus, in a very cynical traffic -- human trafficking, organized by the Lukashenko regime. Europe would be at risk. I think we should not accept this. EU cannot be at risk for a battleship at its borders, organizing such a nasty human trafficking. We cannot let this happen.

MS. BELIN: There are obviously, you know, other players here, not only the Lukashenko regime, and the EU, and Poland, and others, but, of course, in the framework of the relationship between

ANDERSON COURT REPORTING
1800 Diagonal Road, Suite 600
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

Europe and Russia, the big question is on Russia's involvement. And, potentially, you know, some people have talked about putting this situation in front of NATO and having, I mean, potentially, NATO getting involved. How does it change or how -- what is your own perspective, regarding Russia? And is, at this point, Putin, and his regime a threat to the EU, or do you think there is a way to discuss this particular crisis with Russia? But, in the long-term, do you think there is an avenue for a more stable and predictable relationship with Russia? Yeah.

everything about. It's difficult to say that Russia is actively involved. My feeling is that it was decided initially by Minsk and put in place by the Lukashenko regime. What is very clear is that it cannot last without implicit or explicit support by Moscow. And if, as I say, it's not -- okay, it's not diplomatic formalizing. It's a reality about the face. Even if the initial problem is not linked with Russia, the solution must be linked to Russia because this dependency of Belarus to Russia is of use. It has been increasing these last months, also because of this connection between the EU and Belarus, after the sanctions and after the Presidential Election of the Throne, last year. It has decreased, so as the dependency on Russia has increased.

So, it's clear that there are tools in the hand of Vladimir Putin, of President Putin, in this crisis. That's for sure. And not being part of a solution would be a signal that Russia does not want to accept distance with its organized pressure on the EU. This is a reason why Chancellor Merkel, last week, already, twice, I think, President Macron, this afternoon, actually, Minister Le Drian, last Friday, have contacts with the Russian authorities.

I wouldn't be naïve or naively optimistic about the change of position, but to be very clear here, also, the tougher we are and the more effective we are, in all the -- on all the matter that describes being ourselves, as Europeans, efficient and sustaining flights, being tough on managing the border, but not being excessive, and being clear that we want -- we target Russia as part of the solution and ask them to take responsibility, the more we do that, the less weak we are, the more I think Russia will have an objective interest in finding the solution to this crisis. So, we should create the conditions for Russia to get positive lead among this crisis solution.

41

MS. BELIN: Thank you. And let me turn now, maybe, to the western side of the European Union, what's going on, you know, closer to the Atlantic, which is, in many ways, also another test for Europe, and the topic of high interest here in the U.S., namely the relationship between the EU and the UK, but also the bilateral relationship between France and the UK. Tensions are mounting periodically, most recently between France and the UK on the fisheries or on the question of the Northern Ireland protocol. And Gideon Rachman recently wrote, in *The Financial Times*, that UK-French rivalry was putting the West at risk and that the U.S. should work to bring the two countries together. So, do you agree? Do you think Europeans actually need the U.S. to reconcile with the UK?

MINISTER BEAUNE: Well, after everything we discussed, I want to be clear, and we cannot make any comparison between their intentions, between France and the UK, or the EU and the UK, I will refer to that in one second, and what happens with Turkey, Russia, and other players. And we know where our allies and power players are, even when we have difficulties and tough moments, which can happen. No doubt about this. So, even if we are, and I'm also vocal about it, in the tough moments, difficult moments, sometimes, with the UK, I mean, it's our neighbor, our history and geography bind us, and this is -- there's no question about this.

With that said, there is a very interesting phenomenon and transition, in a way. The UK has decided to leave the EU, sovereign democratic choice, that's it. We are now realizing, in practice, that what the EU, by contrast, is about, the EU is about socializing people, socializing governments, diplomacies, countries, even when -- take Poland, we have difficulties on rule of law, that even in this case, every month, President of France, Chancellor of Germany, Prime Minister of Poland meet and discuss this, Ministers. We have no such link now, it will come, I hope, with the UK. You know, it's interesting because it's -- for the first time, we have the first country leaving the club. We are losing some contacts and some links with a country.

And everything that happens is still about that because Brexit was about blaming the EU for difficulties, true or false, I think mostly false, but, anyway, saying migration is because of the EU, social dumping is because of the EU, migration problems are because of the EU. Let's leave the EU, everything

42

will be better, and when we have problems, now, the UK says it's because EU is playing hard with us. So, Brexit, in my essence and narrative, which is anti-EU and in a way a bit obsessed with EU, so, when there is something doing -- being done well with the UK, this is better than the EU, in the UK debate. And when something is done badly, it is because of the EU.

So, there is this strange thing, which is the essence of Brexit, again, which creates difficulties in rebuilding trusts between not only France and the UK, but the EU and the UK. We will manage that. We will overcome that. But the first thing, and this is a strong message we send to the UK, this goes far beyond the fisheries issue, they're also -- or even beyond the more important Northern Ireland protocol issue, it's stick, comply with your agreements that you signed and ratified. If not -- it's -- if a major democracy, if a major partner and ally of all EU member states, starting with France, which is the UK, is not giving 100 percent trust, in this respect, this is a big problem, I think, even for the influence and the impact of the UK in the world. So, sticking to your word and to your signature is something absolutely crucial. We may have debates on some interpretation of provisions of the treaties we signed on, but this is deeper than that.

Now, European countries do not know that the EU countries, sorry, do not know exactly whether the UK is really sticking to these agreements that we signed a few months ago. And I think that's also why the U.S., sometimes, has doubts and make criticism about respecting the protocol of waiting a bit, to say the least, about signing a trade agreement with the UK because there is these doubts. So, I think it's for the UK to overcome this. We are ready. We've proposed this to discuss security and defense policy and to have a kind of stable performance type of consultations, organizations with the EU and UK relationship that we still have to invent.

To answer your question even more directly, I don't think we will need the U.S. to help us bridge the gap, but, definitely, we should find -- go beyond this transition moment, which is unpleasant and difficult, to have a new type of relationship. I thought, to be also very sincere on this, that it will take a few months, I mean, to dial -- to implement the agreement, 100 percent, and to move to another phase of the chapter, that will the new EU-UK relationship. We are not there yet because 100 percent trust is not

43

there. And to be very blunt, it's up to the UK now to reassure us on this 100 percent trust we should have.

MS. BELIN: You know, for some, it feels like exiting the European Union only leads to an inevitable collision course, that this, you know, that countries are then doomed to compete. So, hopefully, there might be a way out there of sticking to the agreements, as you've said, to find a way to fully cooperate together.

And I want to circle back to Trans-Atlantic relations because we have discussed in the panel, before this conversation, on how Trans-Atlantic relations have evolved under this administration and that we are at a time of maybe the beginning of a new relationship. What do you think Europe and the U.S. should hope to achieve together, during the Biden administration? What are, would you say, would be the top priorities for Trans-Atlantic cooperation in the next few years?

MINISTER BEAUNE: Well, if I may be deliberately a bit naïve and optimistic this time, I would say that we have a European responsibility first, beyond President Biden, himself, to change a bit the approach. I said at the beginning that I think there is a good old times, if I may say, of the Trans-Atlantic relationship, meaning that that was very clear in substance. It was NATO and security first, or only, trade, you know, kind of quiet on, you know, a nice way, and that's it, basically.

And the second point, in terms of message, it was Washington saying this is how we see things. Do you agree? Well, you have no real choice, but if -- it's fine like this. I think we cannot start with France, to be very honest. We cannot say we should be managing another Trans-Atlantic relationship. We want to be more than honest. We want to think by ourselves, and not provoke something, and say that in the years and probably decades to come, first, Europe cannot be the focal point of the U.S. attention. That's a fact, I think. It doesn't mean that Europe will not be important, that EU will not be important, but it will not be the central focal point of U.S. attention. Moving to Pacific region and China, obviously, that will last.

And second, we should extend the topics of this relationship, so. And why not -- why should not the EU propose such an agenda, a Trans-Atlantic agenda, charter, whatever you call it,

ANDERSON COURT REPORTING
1800 Diagonal Road, Suite 600
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

anyway, to say, okay, it used to be NATO and security, it will remain important, but climate, trade, the way we approach together, maybe we don't have 100 percent the same approach, but probably 80 or 90 percent China and Russia, how we deal with the Indo-Pacific region, it was one of the issues of focus, but let's go beyond this, how we address, together, key technologies, sovereign technologies, not necessarily again China, but go with China, 5G and some. We have -- we are trying some things, like this Technology and Trade Council, that was a first attempt to have a kind of new type of Trans-Atlantic relation, but I think it should be more formalized, more organized. And if we are -- want to be credible, as EU, about -- we want a strong Trans-Atlantic relation, a strong Trans-Atlantic partnership, so. We have ideas about this Trans-Atlantic partnership, and we want something which lasts beyond the players at the moment, President Biden, President Macron, Chancellor Merkel leading the floor on some.

We should propose this in a kind of document, organized manner, and I think if you look at the topics, it's the one I mentioned, probably climate will be -- or trade will be, I would say, the two most important topics, in the years to come. I hope that we will remain on the same page, beyond our nearly totally on climate. On trade, it's more difficult, where we still have some bilateral tensions, but that will be crazy not to focus our trade attention on WTO reform and the behavior towards China. Maybe we will not end up with the same approach, fully, but we should work on that, rather than spending our time discussing the steel and aluminum prices. We should overcome that. It's not a good track.

So, just to sum up, I think it's -- your question is quite telling, if I may, because it's a way Europeans see the U.S. What should we expect from President Biden? And what should we expect from Washington, after the recent elections or in the three years to come, with this administration? Why don't we think and propose something on -- along these lines?

MS. BELIN: On that front, you mentioned the Trade and Trans-Atlantic Council. I think the next iteration is going to be in March, in France, at the moment, of the French Presidency of the European Union. And the French Presidency is this peculiarity to explain to our American friends that member states preside over the European agenda in turns. So, in -- starting in January, for six months, France will preside the European Union, but for the first time in 13 and a half years. So, this Presidency,

because we are 27 member states, comes not that often.

Why do you think -- should Americans care about the Presidency, who has the Presidency of the European Union? Why does it matter whether it's France or anybody else? And what do you hope to achieve in this timeframe, especially because, I must add, that there is the French Presidential Election in the middle of it? So, there is a question there on whether, you know, this Presidency can, the French Presidency, can be fully productive, or if there is a risk of a first half that is too highly political and then a second half that would be maybe too highly technical and nowhere on the agenda.

MINISTER BEAUNE: Well, it could be a nice word in which the one in which our partners in Washington or in other capitols outside the EU would not notice who is running the EU for six months because it will mean that there's a strong common European agenda, not depending on who is chairing the European Council for six months. But, beyond this, because it's not exactly the case now, having the Presidency does not mean you change everything, and you have different priorities entirely from the Presidency before you or after you. But it means that you can speed up on some priorities you think are very important for Europe, from a Europe national perspective, I would say.

For France, to be concrete, I would mention three topics, which are not totally new, but which will be extremely important from our point of view and would like to find a landing zone, compromises, and EU achievements on this, climate, social, and digital dimensions I will mention.

Climate, I don't want to be too long on technical, there is a huge legislative package at the EU level, that we call Fit for 55, which is basically defining our own rules to reach our objectives of carbon neutrality, 2050, mainly. But in this package, there is one instrument which is very important, I know it's sometimes a worry in the U.S., which is called a carbon model adjustment mechanism, I think, which will be very pragmatic, of course, WTO compliance, open, also, global -- international discussion, starting with the U.S. on this, this idea of climate club, which is sometimes mentioned.

But we need a European solution first to make sure that all the efforts we are asking, because we are, de facto, the most ambitious, in terms of objectives and rules, in the EU. We ask our

46

companies, our businesses to reach green, as their processes of production, and so on. We cannot do that, and although everyone on our market, we should remain fully open, not to comply with the same rules. That would be a killer, in economic terms and ecological terms. So, we cannot allow this to happen. This is why this mechanism, which is a pro-environment, not an anti-trade, the pro-environment instruments to develop, and we hope -- I hope that we will have political agreements during the semester from the Presidency.

The second example, to remain concrete, digital. We have two important texts, called GSA or GMA, whatever the exact names, at the European level, which is, basically, the charter basically about defining a legal responsibility framework for big platforms, whatever is nationality. De facto, there are, most cases, American, but this is the idea that marketplaces, research engines should have responsibility, to some extent, for the content of the products that they sell or spread on the internet in the -- within the EU market and probably internationally, if we set an international standard. This will be very important. We are, again, trying to find a -- strike the right balance on regulation, and competitiveness, and innovation.

The third element, which I mentioned, was social dimension of our single market. It's more probably a domestic issue for the EU, but we need our open markets of 450 million consumers to have, also, some social standards, not to allow that between Germany and Poland with France and Romania, for instance. There are now huge gaps in the wages, in the social contributions, and so on. So, as the idea would be, for instance, to have some standard for minimum wages, across the EU, to make sure that the competition does not become de facto social dumping.

The three examples, which I think are quite consistent which each other because they are defining a kind of strength in the European model, which should not be, to be blunt, about regulating the success of others. My dream is not that we regulate the efforts which are successful from the U.S., that we have our own success champions, or whatever we call them, leaders in the most innovative sectors, space, microchips, and so on. So, the main target is innovation and economic success in the EU. But we also need, and I think this is something we do quite well at the UK level, we need to do at the

UK level, to regulate appropriately some of these players and some of these sectors. So, this is the view, more tangible ideas, some of the three of the big priority we want to push during the French Presidency.

MS. BELIN: Thank you. And they sound, really, all-encompassing, and exciting. Also, in the fact that Europe and France, within the EU, in particular, is very often a force for initiative and normative power that puts on the table ideas and norms that later influence, sometimes, the rest of the world, like we saw with the digital privacy norms, for example.

We have only a couple of minutes left, and I would be remiss if I forgot to ask you about one of the most worrying developments we also see in Europe, which is the continued rise of populist nationalist parties. With the French Presidential Election coming up, we know, at the moment, in the polls, that far right candidates, together, can accumulate up to 30 percent. And in many ways, President Macron was elected in 2017 as a, apparently, a bullwork against this nationalist populism and with a very strong pro-European message. So, do you feel he might have failed in that regard, in pushing back on this populist trend, both, you know, at the European level, but in his country, in particular?

MINISTER BEAUNE: Well, we should be very humble about this. De facto far right has not gone away, in France, in Europe, in, actually, all of western democracies, probably all -- a lot of democracies, everywhere. So, this is not a victory, particularly. That said, when you look at the French political spectrum and pattern, at the moment, like we see that in the polls, these two should be cautious. President Macron remains -- has quite a strong support. We would see this. I think this is a political reality, at the moment. The parties which have less support, even more, are traditional parties from the left and the right. And this is what gives even more space to the far right in this kind of competition between kind of progressive center and far right populism, to put it this way.

And I think this will be the fight of at least a generation because we are in a cycle, probably at the end of a kind of liberal, politically speaking, cycle, which was opened in the late '80s.

There is this kind of democratic fatigue, which, unfortunately, happens around every 30-40 years in our democracies because democratic systems are tiring for people, in a way, because they are open debate.

They are open choices, which is a strength of our democracies that we need to preserve, but there are, in

a way, some tiring systems for political parties and political leaders, and there is always this kind of bell

ringing in democratic systems, I would say, or maybe that would be better or more efficient, simple, and

so on, in illiberal autocratic systems.

We know it's a danger of democracies across history. We are at this type of moment.

48

Probably, it's increased by some challenges which are creating worries, anger, in our societies, from

climate change to migration, economic globalization, and its consequences on middle classes, and so on.

There are always specific reasons of the time. But I think we are exactly at this type of moment. And so,

there's no magical -- no silver bullet to get rid of populist movements, but to stay for our values, to fight on

it, to renew our democratic systems, I think, frankly, President Macron, at the time, Emmanuel Macron, as

a candidate, had not created this new political force in the center, recognizing the importance of Europe,

recognizing the importance of fighting far right parties.

Probably, far right would be already in office in our country. It does not mean that it will

be easy, does not mean that he's won, I just have a feeling. But we will fight this fight, and it's not a way

to criticize or avoid responsibility. But I think traditional political parties need to take, also, responsibility

for the fact they have nothing to offer in the debates, which is a problem because we are a bit alone in

this fight against populism, and with different patterns, it's a bit, okay, it's a bit of the case in many

European systems, we see it in Italy, for instance, or, in a way, in a different manner that was, I think, the

political pattern behind Brexit in the UK because this anger, these worries, these concerns were not

tackled in the political system, before this referendum.

MS. BELIN: Thank you, Minister Beaune, for putting this in the context of what you call

the fight of a generation and saying that, you know, it should be just one man as a bullwork, as probably

but like what other parties beyond, also, progressive parties have to offer to pushback on this populist

nationalism. That was very interesting.

I'm afraid that's all the time we have for this conversation, which was really interesting.

Merci beaucoup (speaking French).

MINISTER BEAUNE: Merci beaucoup.

ANDERSON COURT REPORTING 1800 Diagonal Road, Suite 600 Alexandria, VA 22314

Phone (703) 519-7180 Fax (703) 519-7190

49

MS. BELIN: Thank you very much for joining us. Thank you for, to our audience, for joining us today. And this event concludes our great partnership with the Bosch Foundation in the Brookings-Bosch Trans-Atlantic Initiative, but more to come, more partnership with Bosch Foundation. And thank you to all, and good evening.

MINISTER BEAUNE: Thank you very much.

* * * *

50

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when

originally transmitted was reduced to text at my direction; that said transcript is a true record of the

proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the

parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative

or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise

interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2024