

Brussels Forum 2020

The Transatlantic Politics and Geopolitics of COVID-19

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Panel: The Transatlantic Politics and Geopolitics of COVID-19

- The Hon. Arancha Gonzalez Laya, Minister of Foreign Affairs, European Union and Cooperation, Spain
- The Hon. Chris Murphy, Member, U.S. Senate
- Moderator: Mr. Daniel Kurtz-Phelan, Executive Editor, Foreign Affairs

TRANSCRIPT:

KURTZ-PHELAN: Great, thanks so much Ian great to be with all of you. We have about 40 minutes to cover the not-small topic of the transatlantic politics and geopolitics of the pandemic with two panelists who are both deep thinkers and important actors on this question. So we will not spend time on their bios, you should all have that. The three of us will talk for about half an hour, 25 minutes, half an hour, and then we will go to questions. If you would like to submit questions, please email them to brusselsforum@gmfus.org, or you can tweet at GMFUS with the hashtag #brusselsforum and we will get to as many of those as we possibly can.

Since we are with GMF, I want to mention a piece that GMF's own Karen Donfried wrote with ambassador Wolfgang Ischinger early in the pandemic for Foreign Affairs called 'The Pandemic and the Toll of Transatlantic Discord', and they made the powerful point that COVID-19 has exposed on the one hand just how frayed and fraught the transatlantic relationship has become, but also serve as a reminder of how central a strong and healthy transatlantic relationship is to effective international cooperation on issues more broadly. And we see how the breakdown in our relationship really has brought reverberations, geopolitically, economically everywhere else.

So we'll get to that relationship. And we have two speakers who are central actors and thinkers on that. But first I want to start with something I think a little bit more in the headlines and closer to home for those of us in the U.S. at least, and that is the protest and turmoil and fear that has followed the death of George Floyd in Minneapolis last week and what that means for U.S. leadership and for the U.S.-European relationship. So Minister Gonzalez, let me start with you, how do these events in the United States this week look to you from the other side of the Atlantic and what does it mean for views of the capacity of the United States to lead globally, given what's going on at home?

MINISTER GONZALEZ LAYA: Well first of all thank you very much to the German Marshall Fund for this invitation and great to be with Senator Murphy together in this conversation. Let me tell you what it looks like, what the U.S. looks like seen from Spain. And what it looks like is a society which has deep wounds and these boons are not uncommon to the situation in other countries actually, they speak of inequalities, they speak of people suffering, they speak of parts of our society that in reality are not benefiting from the economy that they are not included fully, whose rights are not being fully respected or upheld. They speak of wounds in our democracies. And it's with this idea that we've got to treat these wounds as societies that and as democracies that we are and where we want to leave nobody behind. And that's, it's a very hard task. It requires obviously consensus at home. And I'm saying this from a country that also has wounds. I'm not pointing at others, I would have exactly the same recipes for our own country but they speak of the necessity to invest in building consensus, to building bridges and

addressing those wounds that weaken our democracies and therefore risks, they are systemic risks to the functioning of the system we have chosen for ourselves which is a democracy, something we in Spain at least cherish a lot because we've seen what the alternative looks like.

KURTZ-PHELAN: Senator Murphy, let me put a similar question to you, but with a somewhat finer point on it. You know so much of American leadership historically, as you know and you've written, has been about the appeal of its example of its system. And what's happened over the past few weeks and months seems to undercut that pretty profoundly in a way that goes beyond just what's happening in the White House, in this Administration. So to get to that I think the big question that people are asking about the intersection here is how can the U.S. claim to lead if that's the America the world sees?

MURPHY: Sure Dan thanks for the question and let me reflect the thanks to GMF for having us here today and hopefully we will be able to do this again in person sometime soon and a real honor to be here with Minister Gonzalez Laya. And listen I think you can look at this two ways. Obviously our long history of oppression and unjustifiable treatment of African Americans in this country has never been a great advertisement for America to the world. And we of course have been in the business of trying to recognize the wrongs have been done to black Americans but also to try to correct those wrongs over the course of our 240 year history. On the other hand, I think that one of the miracles of this country is our ability to be able to open up these wounds, look at them, and make a decision to talk about them in a way that leads to change. Not every country in the world has the ability to do that.

And, you know, we don't look at the civil rights movement of the 1950s and the 1960s as an advertisement regarding the weakness of America, the way in which African Americans were treated was a weakness, but our ability to mobilize and do something about it is a core strength. And so my perspective on this is that we have an opportunity now to turn this set of protests into a movement that rivals the civil rights movement of the 1950s and 60s and change the laws and practices and customs and norms of this country in a way that makes us stronger. And ultimately I hope will draw other nations toward us because as the minister mentioned, well, the American experience is fundamentally unique because of our history of slavery. There are many other nations that are right now, as we speak, grappling with questions of how to better melt together populations of different religion of different ethnicity and if we can show that you can have a series of very loud, very messy protests, demonstrations and political action and on the other side of that come out stronger with real change being made that brings our country together, well frankly I think that would be an advertisement regarding the best of America. And that's our work in the United States Congress to try to make that happen.

KURTZ-PHELAN: Thank you. That's a really powerful point and I wonder if there's an international analog that we can get to later in the conversation, but I do want to go back to the kind of the animating objectives of GMF and the Brussels Forum really gets the transatlantic relationship and the state of the U.S.-European relationship which you know, really looks like it's in a state of kind of pretty full-scale breakdown over the last few months. You know, the piece that Karen and Wolfgang did I think lays this out powerfully, but the lack of coordination over travel restrictions and vaccine conferences and everything else. So let me start with you Minister Gonzalez, is it as bad as it looks from the outside, or do you see kind of bright spots that could be at least the beginnings of a turnaround?

MINISTER GONZALEZ LAYA: Well I would say that the fundamental problem in this transatlantic relation at least seen from where I sit is that we need to go back to understanding what's our, what's the sense of purpose that we want to put in building this relationship. This is like any relationship you have to have

something that makes you desire work with the other party it's like in, you know, it's like in a, in a couple, you want to be with the other party because you have some sort of common project for the future, because you cherish working together, because even when you quarrel, and this happens all the time, and I've seen this happening in the transatlantic relationship very often, but even when you quarrel, you know why you want to be together. Now it used to be that we wanted to be in promoting freedom against the totalitarianism. Then, morphing into we wanted to, there was the end of history and we wanted to promote democracy, and in a way we have to reinvent what is the glue that binds us together. And I think if I look at the world, a world that today is suffering from big fractures, economic fractures, inequality fractures, sustainability fractures, digital fractures, democratic fractures, and this it's a serious one, and a world where it changes very fast and where people have a sense that you know, there's been, they've lost control of their lives. I think maybe the project we should have for this transatlantic relationship is to show that we can humanize re-humanize globalization. So you know we have to give it a new purpose, a purpose that is attuned to the realities of today, of this world that again is much more fractured. And that it's probably more contentious, more polarized. And we have to demonstrate this is what should bind us together that we can re-humanize this more globalized, more interdependent world.

KURTZ-PHELAN: But you believe that the two sides do in fact still want to be in the relationship. That is your takeaway here?

MINISTER GONZALEZ LAYA: Well I cannot speak for the other part, the other side of the equation. Let me tell you that I meet many, many, many American interlocutors, whether it's on the business side, whether it's on the civil society, whether it's on academia, whether it's in government, in the administration. I hear people wanting to continue to develop these transatlantic relation. It certainly is the case on the European side and for the part that I can speak with a little bit more certainty which is Spain, it certainly is our desire as a country that we are of 47 million people very open to the world with a sense of the global responsibility in a way of contributing to a better world, we see the U.S. as a friend and we see the U.S. and Europe needing to reinvent a little bit this transatlantic relationship.

KURTZ-PHELAN: Senator Murphy, what do you think it's going to take to turn things around and what are the steps that you think the United States can take in this administration or a future one that can get that started in the right direction?

MURPHY: I really appreciate the way Minister Gonzalez Laya put it because I think she's exactly right. We have been telling Americans for decades that through greater participation in the global economy, there will be benefits accrued to ordinary Americans and we have told them to not pay attention to that factory that shut down and all the jobs moved overseas to China or Mexico, that through this complicated equation eventually you will be better off. And Americans have been willing to wait. They have been patient and I think they are coming to the conclusion that that prediction was wrong and maybe it's not the fault of globalization, maybe it's the way in which our own economic rules are written domestically. But there is just no getting around the fact that as those factories closed down, there were no good jobs to replace them. People in our country are, you know, lined up a hundred deep in cars waiting for a bag of groceries today because nobody had more than a week's worth of savings. Everybody had a job in the United States. I mean, we have record low unemployment and yet we didn't have anybody who was making enough money to be able to make ends meet. So I think that is our project and it is a transatlantic project because to the extent that faith in Brussels is winnowing, I think it is in part due to some of the same concerns.

Now I will say though that this crisis, the COVID-19 crisis, does present us with an opportunity to explain to the American people why global cooperation in particular with our European allies is so important, because I think folks now in the United States have finally realized that there is no wall that can protect us from threats that start on the other side of the world, that the travel ban may have bought us a week or so but it ultimately was not a policy that could stop a hundred thousand Americans from dying. And so this is an opportunity for us to explain you know how the Chinese went about controlling this virus, how they hid information from us and how the Europeans do this differently and why it's important for us to engage globally generally, but why it's also really important for us to lock arms with our European friends because we approach pandemics with the same set of values. And if we don't engage with them, then there's no domestic policy that can 100% protect us from the next global pathogen.

KURTZ-PHELAN: I'm struck, it's been a few years since it's I've been in a discussion of global politics where it's taken 20 minutes to get to a mention of China. So let's linger on that for a second. Senator Murphy you know you have spoken and written about the way the United States should be approaching China. It I think will be a pretty central part of transatlantic diplomacy over the coming years or decades. What do you, what would you like to see the Europeans do in an attempt to kind of forge a common agenda and when it comes to China's rise?

MURPHY: It's a difficult conversation in the United States right now, because it is so transparently connected to our politics. The President has made a very obvious decision to try to use China and global institutions that are connected to China as a scapegoat to try to avoid responsibility for the public health and economic crisis that we are going through. But I do think it is - as anyone smart who has looked at this knows - that there is no path to trying to manage China's rise in a way that is beneficial for the United States, without our policies being linked with those of the European Union. Senator Romney, a great friend of mine, wrote an op-ed a few weeks ago suggesting that the United States and Europe needed to bind together to ban essentially boycott any goods from China that had a security nexus, and his definition was very broad. I mean he was talking not just about defense goods but technology, healthcare and I think we have to decide whether we want to fundamentally disconnect ourselves from China. I don't know that that's in the best interest of the world from an economic or security perspective. What may make more sense is for the United States and Europe to bind together to make sure that there are alternatives to the products that the Chinese are developing. You know why did we get caught up in the situation where Chinese 5G was really the only viable option for many countries around the world? Let's look ahead to 6G, to advanced battery technology, to AI and come together with the Europeans in a common industrial policy where we decide to make sure that there are alternatives. That might be a policy that makes more sense for all of us in the long run but whichever path you choose, there's just no doubt that it involves the United States and Europe working together.

KURTZ-PHELAN: Minister Gonzalez how does this, the debate on China policy look from your perspective? It's been a dynamic time when it comes to the European debate on China's role in Europe and the summit that was just postponed and everything else so how do you see the change in geopolitics and what would you like to see from the United States on China? We published a piece in Foreign Affairs yesterday by Prime Minister Lee from Singapore kind of warning both Washington and Beijing not to force countries to choose sides and in a new cold war. So I'm curious how that dynamic looks from your perspective?

MINISTER GONZALEZ LAYA: Well, I illustrate what I think with three words. I like to see the relation between the U.S., China, EU, Europe, I like to see systemic, I would like to see strategic, and I would like to see rivalry because these are three angles, three dimensions of a complex relationship that we have

between us. Let me unpack these three. I like to see systemic because there are issues that cannot be addressed if the three of us and many others, but at least the three of us who are necessary for addressing them, we will not be able to address them unless we sit together. We will not be able to address climate change and the de-carbonization of our economies and the protection of our biodiversity, if the three of us don't work together. So there are areas where we need to find a way to cooperate and to collaborate. Just imagine in this COVID case, what this would mean if we were to add the innovation and brainpower of the U.S., China and Europe together. How much faster we may be able to find a vaccine or a treatment for COVID. So first I would like to point out that there are issues that require cooperation, because otherwise it will be a world that will be smaller or will be slower.

The second that I mentioned is strategic and strategic means understanding that there is a long term perspective in the interaction between the U.S., Europe and China, that not everything has to be thought through this very short term view of the next electoral period, that we need to have a bit of a long-term perspective. And on this one, frankly, China is ahead of us because it can think for many reasons longer term than Europe or the U.S. can. And that is a handicap for us that we need to be able to address.

The third one is rivalry. It's very clear that there is rivalry. This is something that Europe has very clearly put on the table in its relationship with China, but there is a strategic rivalry. And when I think of rivalry, I think of the need to have a level playing field because rivalry should not be used by undermining the level playing field. And on this one again there is a space to work this out and to address it. So I'm more of the view that we have to find a way to engage, to work together, that there are things that I don't like the way they work but my sense, and maybe because I'm a realist, is that the only way to change them is through engagement and through cooperation and on this, there is a lot that Europe and America can do working together that is not being done, that would lead to a world that is a bit bigger and probably a bit faster.

KURTZ-PHELAN: I'm going to ask one more question before we go to questions from the audience. Again, you can email your questions to brusselsforum@gmfus.org or tweet at GMFUS, #brusselsforum. The last question I want to ask to both of you very quickly you know we have been for the past a few months consumed with the pandemic and the economic fallout now in the U.S., the issues of police violence and protest and response to protests. There's a lot in the world that is probably not getting the attention, at least in the headlines that it deserves. What is one thing that worries you that you think needs more attention from global policy makers, from societies and the transatlantic relationship that you think has kind of fallen off the radar amid everything Senator Murphy, we can start with you on this one.

MURPHY: That's a grab bag of a question. Well I mean listen I tend to think that there are you know, two existential crises that present to my constituents in Connecticut. One is their ability to continue to vote freely. We can correct any problem in the United States if they have the ability to get to the ballot box, and two their ability to breathe clean air and drink clean water and so for me, I think we have to be constantly vigilant about climate and we have obviously taken a back seat, a rear seat in leadership over the last three years. And we are, I think, getting ready perhaps for a new administration early next year in which not only will we try to reassert that position of global leadership, but that we will pass, I think, some pretty important legislation domestically that will simply change the calculus of the United States contribution to climate change. So I think to me, when it comes down to it, there are two twin crises that matter most in the long run to my constituents, the health of democracy and the health of the climate, and those are the two conversations that you know I think have to be ever precedent, and even during these moments of crisis, we have to elevate both of them.

KURTZ-PHELAN: Thank you, Minister.

MINISTER GONZALEZ LAYA: I would join Senator Murphy in his two priorities, I would add a third one is how we exit the big economic crisis that this pandemic has created and us, Europe and America work at home to have recovery packages, stimulus packages, support measures for their businesses, for their workers. They need to think, and we need to think that there is a whole world out there for whom it's much more difficult to imagine having the means to exit this crisis rather rapidly. We need to think that this is the moment when Europe and America and maybe a few others, and I would want to include China there too, have to come together to ensure there is access to finance, there is access to liquidity that there is access to the means to exit this crisis very rapidly.

I'm very concerned about the ability of African economies to exit this crisis. And when I look at the trouble they are having with trade having collapsed, investment having collapsed, remittances having collapsed or prices down and every and tourism disappearing, I see economies that will suffer a lot. When I look at Latin America and I see the big challenge that very unequal economies have to exit this crisis, I would want to see a very big transatlantic push working with international financial institutions, with the World Bank, with the International Monetary Fund, with the American Development Bank to work together to ensure that everybody has the means to rapidly exit this crisis. Otherwise we are going to create very unequal societies, lots of pain, lots of suffering, and a world with so much suffering is not going to be good for that part of the world, but also for Europe or for America.

KURTZ-PHELAN: That's a great segway to questions from the audience. I'm going to start with two questions, each one directed to one of you. And I'll just deliver these both at the same time. The first is to Senator Murphy, and this comes from a retired Brigadier General in Germany. 'Will General Mattis' criticism of President Trump's actions and rhetoric make a difference with many Americans, given his reputation and that of the military?' And then Minister Gonzalez let me ask you a different question which is about the potential for WTO reform playing a role in transatlantic cooperation, what the agenda for WTO reform should be. Senator Murphy, we can start with you on that.

MURPHY: His statement was extraordinary and I think very much needed to be able to hear from the most recent Secretary of Defense, a clear call that it is unacceptable to turn the United States military on the peaceful protesters. I think the President has also received substantial pushback on that program from within the administration as well. That being said, I don't think that Secretary Mattis' comments fundamentally shift the debate or narrative inside the United States. I think you know there's a very narrow band of Americans who are persuadable. President Trump is not acting any differently today than he did a year ago or two years ago. His strategy has been to harden his base as much as possible and that has been a consistent strategy and so I ultimately think that while it was very important to hear from one of the most respected military leaders on this question of whether or not U.S. troops should be used on protesters, I don't know whether it shifts the overall debate in a very meaningful way. You didn't for instance hear large number of Republican Senators changing their tune on the President's behavior following secretary Mattis' comments and I would also suggest that his resignation letter was in many ways no less extraordinary than the statement he made just a few days ago. I think the most important impact it has is on the President's calculus regarding the tactics he uses against protesters and I think that was and still is to an extent an open question. So I think in that conversation and that internal debate within the administration, Mattis' statement is important.

KURTZ-PHELAN: Because of what constrain or make people around the President think twice about the use of the military is that the mechanism there?

MURPHY: I think it'll make it, it will chill the enthusiasm of many to make that recommendation, knowing that not only people like Secretary Mattis are going to continue to speak out, but his statement likely unshackles other military leaders and respected figures to do the same. And I think that potentially has an impact.

KURTZ-PHELAN: Minister.

MINISTER GONZALEZ LAYA: Well if I look at the World Trade Organization (WTO), and it's been set up in 1995 at that time, there was no China in the WTO, there was no Russia in the WTO, there was no digital economy, there were not this hugely spread supply chains around the globe. The distinction between goods and services was much neater. So there are many things that have changed since 95 and this is why the WTO today needs a big uptick, a big exercise in making sure it continues to serve its members at time when the global economy has fundamentally changed. We need to make sure that the digital economy is part of the trade rules, that is a requirement and if we needed any argument to convince us on that, let's look at how much the digital has exploded during this pandemic. So a WTO without clear rules on the digital economy is a diminished WTO. Also a WTO that has rules on level playing field that date from the 80s does not capture the many nuances that exist today in global trade competition. So there needs to be an update also on ensuring a more level playing field.

So there are many reasons why this institution that has helped and served its members since the aftermath of the Second World War should be reformed rather than ditched. I think again on this one I'm very clear, as a relatively small economy that Spain is very open and needing clear rules of the game to protect its insertion into the world economy, what we need, and this is why I preach it, is a more robust WTO that is updated to help us confront what are challenges in international trade in today's economy, not in yesterday's.

KURTZ-PHELAN: Great thank you both, we have just six minutes left so I'm going to group together a number of questions that have come in on China. I'll try to do justice to all of these good questions. The first part of it is what do you think of the Chinese Communist Party' apparent view that the pandemic and related crisis and everything happening in this moment has shaken the foundations of the U.S. led international order and provided unique opportunities for both Chinese adventurism and Chinese *. Does this mark the beginning of a kind of new era with a Chinese led global order, and then as the second part what do you think the United States and Europe should, separately or together, be doing to address what China has done in recent weeks and months with regard to Hong Kong and in the South China sea, right? If these are areas where engagement does not seem to have made a huge difference, what would a sharper response look like? Senator Murphy, let's start with you on this because I know you have a hard stop at 10:45.

MURPHY: Thank you, so remind me what the first question was. China clearly believes that this is an advertisement for their model of governance and administration. Their ability to get their hands around this epidemic faster than European governments and the United States have and I think it's important for us to be able to do a deep dive as to the steps that were necessary in order to get to the place that they are today. Does the United States want to accept a government that forcibly separates parents from children? Do we want to enter a world in which anyone who criticizes the government response is rounded up and imprisoned? I think what we will find is that while it is true that a totalitarian system was able to control a pandemic quicker, they did it through means that would be unacceptable to Americans. My argument is that we didn't have to be in the position that we are today, that even in a democracy, even accepting the protections on civil liberties and the freedom of the press that we have,

we could have taken steps early on whereby tens of thousands of Americans, rather than hundreds of thousands of Americans would have perished.

And then I will simply say, to be short about it, with respect to Hong Kong, there's nothing we're going to do that has impact with respect to the Chinese people of Hong Kong we're not doing it together with the Europeans. And I would argue that the Chinese government has decided to move at this moment, because they worry that in 2021, there is going to be a re-coming-together of the U.S. and European policy and when we are able to better coordinate the messages that are sending to China, it will make it much less likely they will be able to get away without consequence for the behaviors that they are engaged in today. So we can go through the litany of messages and steps that you could take but that coordination that has been missing under the Trump administration if it returns I think is a bad development for Chinese plans for Hong Kong.

KURTZ-PHELAN: That response in your view has the potential to change Chinese behavior?

MURPHY: Listen, China clearly has decided that they are going to move forward on a new status for Hong Kong despite international criticism and condemnation. All I suggest is that it is worthwhile testing a coordinated message and a potential coordinated series of repercussions. I don't think we can know whether the outcome would be different, but what we know is that we have made it much easier than it should be for them to take these steps because of our lack of coordination.

KURTZ-PHELAN: Thank you, and then Minister Gonzalez we will close with you on these rather big questions on China and China policy.

MINISTER GONZALEZ LAYA: Well on the first one, when I look at the COVID, I don't see anybody really coming reinforced out of this crisis. What I see is the need for all of us to build our resilience to face similar epidemics in the future. In this pandemic we have seen many shortcomings. We have seen shortcomings in information, we have seen shortcomings in data, we have seen shortcomings in recommendations, we have seen shortcomings in preparedness. And the only lesson that I take is that we have to invest in building the resilience of the global community. China, America, Europe, and everybody else to be able to face the next pandemic which let's hope does not happen anytime soon.

On the second question, the terms of the relationship between China and Hong Kong are clear to them and they are clear to the rest of the world. And it's a question of trust at this point. It's one country, two systems. It's not two countries, but it's not one system. It's one country, two systems. And in my view it would be useful to remind everyone, again understanding that this is a fundamental element in the trust that we have to build in international relations.

KURTZ-PHELAN: I'm sorry not to have gotten to all the questions. I have about a dozen more I would like to ask but our time is limited. For now, thank you so much to Senator Murphy, to Minister Gonzalez for joining us during what I know is a very intense time for both of you and very much appreciate these remarks both in their specifics on policy, but also really broad and deep insights about the state of the world. So thank you so much and thanks to everyone for joining this morning or this afternoon, if you're in Europe. Thanks everyone.