



# TRANSATLANTIC EXCHANGES: HOW REVOLUTIONS IN POLITICS, CULTURE, AND IDEAS SHAPE OUR WORLD

**Announcer** 00:00

Please welcome the panel on “Transatlantic Exchanges: How Revolutions in Politics, Culture, and Ideas Shape Our World,” moderated by David Bohigian, CEO, Meridian International Center.

**David Bohigian** 00:24

Well, thank you all for coming today. We've got an amazing panel to talk about the simplest relationship in the world, transatlantic relations, and how revolutions in politics, culture, and ideas are shaping our world. And we're here at the 250<sup>th</sup> anniversary of the American Revolution, so I wanted to use that as an opening frame. I was in Washington last week with the king and the president, and they were talking about how wonderful the relationship is, and I wanted to turn to Andrew, who's with the British American Business Council, to understand, is that rhetoric or is that real?

**Andrew Lewis** 01:06

Well, thank you very much. Thanks for having me to the Milken Conference. So, 250 years ago, the original 13 colonies decided that they wanted to declare independence, so nothing more fitting than your president inviting King Charles to come and join him at not just Washington, DC, but also at the White House. And he opened up, I'm sure a number of you caught it, he opened up to the joint members of Congress, where he described right off the bat that the UK and the US have an indispensable alliance, is what he called it. And that resonated well with your president because I'm not sure he knew exactly what he was doing at the time, but he actually made a concession very early on in the relationship because he

decided that Scotch whiskey, he would remove the long-term tariffs that were in place. And of course, we know the president likes Scotland. He's got ancestry in Scotland. He's got business in Scotland. Maybe what he didn't realize is that 25 percent of all of the Scottish whiskey actually gets exported to the US, \$1.4 billion in revenue to our economy does not have tariffs. But anyway, that said, they went on then from there to the White House, and Trump's message on the relationship was very different to the king's. Trump was giving a message of saying, "Prove to us that this relationship works," and the king was giving a message of, "Remember why the relationship matters." Trump was speaking more on a relationship built on mutual benefit, shared economic fairness, and Charles was speaking more on a relationship that has a strong history and bond between the two countries. But the king, Charles, one of the things he reminded everybody was that last year, 450 billion of trade was done between the US and the UK, one of the largest trading partners in the world. 1.7 trillion of investment over the years has gone between both countries. And one of the key things that from a relationship standpoint that we certainly take very seriously is that in the US, 1.2 million Americans go to work every year for British firms. So, there's a strong investment from the UK over here, but equally, 1.5 million people in the UK go to work every year in the **UK**. That's one in 20 individuals. So, I look at, in summary, just to that question, I think the fact that he got invited not just to the US, but to Congress, to the White House, already there's benefits coming from it, I think really just demonstrates the strong relationship that's existed. And the last thing I'll say is he wasn't the first British monarch to address Congress. He was the second. The first one was his mother, 25 years ago, Queen Elizabeth II. So, the fact that he's been invited back, I think, speaks volumes.

**David Bohigian** 04:07

Interesting. Well, thank you. And you highlighted the different lenses which the president and the king viewed the relationship a little bit between more transaction, more values-based. And I wanted to ask Andy whether or not there is a values relationship or if it's mainly transactional these days.

**Andrew Moravcsik** 04:24

Well, for sure, there was a values-based relationship, and maybe a little bit there still is, but I think the data really gives us some sobering news about the state of that relationship. So, if you look at studies of why different countries develop sentimental attachments with one another, there are basically two important factors. The first is migration. So, when a large number of people migrate from one country to the other, it creates a diaspora community. That diaspora community has close relations with the home country. The problem today in America is that if we think back to 1945, fully 25 percent of American citizens were first or second-generation European immigrants at the time, and that was the greatest generation that did all that stuff in Europe. Today, that's less than 10 percent, including me, the son of a Hungarian immigrant, and unfortunately, disproportionately old and declining very quickly. Then the other way that sentimental attachments get created is through common efforts, often as allies in war, fought for common values. So, of course, here the example is World War II. But we have to remember, and we talk about that a lot, but you have to remember that the number of people who fought in World War II in the United States has declined to 0.3 percent of the population, and the youngest of them are almost 100. So, those people are gone. Even the Cold War—only 20 percent of Americans were of an adult age to remember the Cold War. So, these building blocks of a values-based relationship have more or less disappeared in the United

States. And that means that whether Trump is there to say this, whether or not the moderate Republicans or the Democrats come back in, the relationship is going to be more transactional, more deal-based, more pragmatic. And we're going to have to look for areas, security, trade, investment, if you're optimistic, the environment or other things, where the two societies and two regions can get together. So, we have to draw on things that are immediate concerns and much less on a past that few Americans or Europeans can actually remember.

**David Bohigian** 07:04

Well, Julia, you've looked at that from a European lens, and I'm wondering if you agree with what Andy said or there's a different framework that you have.

**Julia Friedlander** 07:12

Well, I'm a New Yorker, so I'm on both sides. I would say one thing that I sort of might disagree with Andy on, right, is the idea that this was primarily a values-based relationship. I'm a realist at heart. I also don't think that Eisenhower had an interest in post-war peace because his name is Eisenhower, right? So, my sense of optimism actually about the transatlantic relationship comes from a return to realism in how we deal with each other, and is based on trade and defense, and where we see geopolitical realities aligning and realigning. So, for me, I'm an alumna of the US government. I stood on the seal of the CIA in 2011 and said, "These are my a\*\*\*\*\*s, I'm going to defend them." But it was personally a little bit uncomfortable with this sense of imbalance or what felt like, and this is maybe also a generational issue for me, like a millennial coming into the professional world during the financial crisis, is that I do see this differently. I say, when was the point when the United States viewed Europe not as an extended arm of its empire, as a deterrent against the Soviet Union, or as a sort of bought-in market, and started to say, "Well, no, actually, we need allies instead." And I think that actually was 2008. Not only because, again, financial crisis, but you had the Russia-Georgia war, end of the post-war peace dividend. You had the financial crisis where America was low, and we could only rescue ourselves through the G20 and through multilateralism, AKA, we need Europe. And at the same time, you had Obama come into office and said, "I'm not a neocon. I'm the opposite of that. I'm not going to try to bring democracy to the world under the American flag in the shadow of ourselves." And ultimately, the implementation of the Lisbon Treaty, right, the big legal block in Europe that essentially allowed the European Union to become an economic competitor to the United States. So, it wasn't like Europe was that peace project over there, right? Suddenly they were adult competitors, the partners that we need on the world stage, but not the ones who should be living within these old sense of dependencies that was based on Cold War geopolitical realities. So, I don't like the way Donald Trump is doing this, but from Berlin, I see that we are moving from a sentimental relationship into a realism relationship. And that makes me actually very confident that when we get through this camel's eye of the needle here, that we're going to have an alliance on eye level.

**David Bohigian** 10:11

Well, Mr. Ambassador, would you agree with the sentimental versus other things that are binding the relationship together with the Germany and the United States?

**Jens Hanefeld** 10:20

Well, first of all, David, thanks a lot for having me. A pleasure being here, and with so many distinguished colleagues. To come to your question, I have to say I quite agree with what Julia's been saying. I think what we're going through is a period of, in a sense, perhaps de-emotionalizing the relationship, but at the same time, putting it on a more interest-based foundation, which isn't necessarily bad. Let's be honest. I think we have to recognize that Europe, and also my country, Germany, have gone through a period, particularly post-Cold War, following the fall of the Iron Curtain in 1989, where we had a concept of, well, some people called it the end of history, but the notion that there would be no longer any global confrontation, and in a sense, capitalism and democracy had won. I think one of the conclusions which were drawn from that was the idea that we would have something like a peace dividend, and I think we were regrettably proved wrong on that. I think Julia has already referenced issues. I think the Georgia war in 2008 is a clear indication. I think what happened on 9/11 was also an indication that things in the world have definitely not moved to a more peaceful situation. And I think both Crimea and then the Russian full-scale attack on Ukraine in '22 have finally woken or shattered the last illusions anyone might have had about the nature of the relationships and challenges we're facing in Europe. So, I would argue that we have to adapt to this world. I think international relations, at the end of the day, aren't so much about emotions. They're clearly based on common history and common views, but they also focus on the challenge of addressing the big issues in a joint manner, which is based on a common perception, which is based on common interests as well. And I have to agree again with Julia. I'm quite optimistic, frankly speaking, because I do think that within the transatlantic community, we have a lot which binds us, which shares us. I think there are quite a few issues, as I mentioned beforehand, which need to be addressed. Questions like burden-sharing and defense have been out there for a long time. And, frankly speaking, US administrations have raised these with the Europeans regardless of who was sitting in the White House. What we see now is that the Europeans are actually moving. I think the NATO summit in The Hague last year was a very important signal with that regard, with a commitment to a 5 percent spending goal by which European NATO members agreed to and accepted. I think this is sending a very strong signal. My country actually changed its constitution to allow for this to happen. We have the wonderful German term [*German*] these days, difficult to translate, but it essentially means that you can spend as much on defense as you need to, regardless of any legal or constitutional obligations to balance your budget. So, I think that is a clear recognition of what is needed. But when it comes to defense and the issue of overall defense, this is something which we very much believe should happen within the transatlantic community. NATO, after all, is one of the most successful international institutions which we've ever seen. It had a, honestly, very good year in 2025.

**Jens Hanefeld** 14:23

Not only did we have The Hague summit with these commitments, and we're now in the run-up to the Ankara summit where we'll have an opportunity to take stock of where we're going. But I think the fact that two previously neutral countries, like Sweden and Finland, decided to join NATO last year, also in light of shared threat perceptions regarding Russia, has fundamentally increased the strength of the alliance. And I think what we now have to figure out is how the US defines its role within NATO, within European

defense, in light of global challenges, in light of a shift towards the Western Hemisphere, which has been becoming clearly visible, but also with regard to a perception and risk analysis with regard to the Asian theater. Again, this is not entirely new. Those of you who are active in the field know that the Obama administration came in with a pivot to Asia, which was, in a sense, a clear recognition that America's interests would be changing. And I think I'm still fairly optimistic, well, I'm pretty optimistic, frankly speaking, that we can work on that basis in developing a common answer to these challenges. I think it's quite clear that Europe, the Europeans, and this is particularly true for my country, for Germany, when we think about European defense, we think about European defense in terms of NATO. We see it as something where it's about strengthening NATO's European pillar and the defense spending which we're doing. The NATO goal is to reach the 5 percent threshold by 2035. We've now set ourselves the goal of actually doing so by 2029. We're reevaluating the need to reintroduce the draft to also increase troop levels, and we're spending big time on defense infrastructure, including from the United States. We are a country which very much believes in also maintaining the alliance through economic cooperation, and I think that's something where you will see us being active in the next years as such. I'll perhaps leave it at that for the moment.

**David Bohigian** 16:50

Thank you. And Nick, we've talked about values, we've talked about realism. The ambassador mentioned a couple of times perception. And given your role in public diplomacy, I'm wondering the role of perception in the relationship.

**Nick Cull** 17:07

Well, I think that we're not going to get anywhere without cooperation. So, the first thing we have to face about the world going forward is that the problems are too big for any one country to solve by themselves. That means we're going to have to work together, and if we're going to work together, we need to trust each other. And in fact, I think it was maybe two years ago that the German federal foreign minister said that trust is the new currency or the most important currency in world affairs. And trust comes from perception, whether you perceive somebody as being similar to you and a good partner or somebody who's self-interested and awkward to deal with. And so, building on the themes that we've touched on so far, I think, what is the role of communication, of exchange, of trust-building activities, of the emotion in the emotional part of foreign policy, of caring about a country, of getting to know that country? And I don't think that if we imagine foreign policy as a car, it's not the steering wheel. It's not the big driver of policy. It's not the pistons pushing things forward. But what it is, is the oil in the engine that stops everything from rubbing too much, keeps everything moving, and sometimes getting to a place on time is really, really important, and having oil in your engine makes all the difference. And I've seen this throughout my own study of public diplomacy that it makes a difference to make—if friends can be friendlier, if differences can be effectively dealt with, then we have a chance. That's how we dealt with the crises in the past effectively, and I'm sure it's how we're going to deal with the crises of our present and future.

**David Bohigian** 19:17

Well, appreciate that perspective. I want to turn to the panel and understand what the oil in the engine might be. One transatlantic person was Einstein, who once said, "You can't solve problems at the same level of thinking at which they were created." And so, I'm interested in the optimist and the pessimist here on the problems that we're facing and where is there shared interest in solving those problems. You mentioned climate might be at the outer fringes. You mentioned some items on trade that might be more achievable. What's your sense of where we have some shared challenges to face together?

**Andrew Moravcsik** 19:56

Well, trade, investment. I think number one, though, all of these, particularly in the American perspective, come through how the United States views China. So the big geopolitical question for the next 25 years is what side Europe is going to be on in a conflict, not necessarily military conflict, but just competition between the US and China. And there, as in current Trump policy, I don't think the central issue is security. Trump doesn't actually seem to care that much how much countries spend on security. At least he doesn't reward them for doing so. But one thing that he is laser sharp on is pursuing American, usually business interests in Europe. All parties in the United States are, but he is particularly, and many of these things are exceedingly costly to Europeans. Setting aside switching over energy resources and the fact that 68 percent of European defense procurement comes from the United States, if you start looking into areas like pharmaceuticals, where the Trump administration policy is now, we're going to sanction you if you don't raise prices of prescription drugs for Europeans and lower profits of European firms in the United States, but he's not proposing to lower profits for American firms in the United States. If you look at an area like tax harmonization, where there was an agreement from the Biden years on a 15 percent floor for taxation of corporations everywhere enforceable to get rid of tax havens, Trump administration came and negotiated something where, basically Europeans have to follow those rules, but Americans can domestically charge lower rates on their own firms, and in fact, today, overwhelmingly, it's American firms that make use of tax havens for that reason. And we could go on and on. The tech industry and tech regulation and so on. These are the issues where you really have a conflict of interest as perceived by the current administration. So, for me, the \$100 trillion question is whether or not there are deals on the table that America and Europe would be willing to accept that would move that economic relationship forward. And on that question, I think I'm actually rather sober.

**David Bohigian** 22:26

Julie, what do you think are some areas of cooperation?

**Julia Friedlander** 22:29

I agree with what Andy said. I think what strikes me the most, actually, when I look at structural economic debates in industrialized countries, so that of course includes parts of Oceania and East Asia, but within the G7, the big question is honestly, what does capitalism look like in the next 15 to 20 years? It has to do,

of course, with the AI revolution. But I think, and we talked about it here quite a bit at Milken, which is this idea of strategic capital and the shift from this understanding that ostensibly, the invisible hand is going to deliver an all-round increase in citizen welfare. So if I look at sort of what European governments are thinking about, about how you make capital market reforms and you craft industrial policy, it looks very similar to what Trump 1, Biden, and Trump 2 are doing. Not on the sort of level of hysteria. That is understandable given the aggressiveness with which the Trump administration sometimes pursues these things, or the rhetoric that Trump himself attaches to things that his ministers actually believe are in the American interest, right? The trade negotiators believe that they are forced to implement tariffs because this is the logical conclusion of an economic policy that has run its course. And these are friends of mine, and I'm not necessarily confident in their success, but I understand where it's coming from. So, if we can pull back and realize that these conversations are being had in all European capitals at the same time, you see a lot of continuity there. And then, of course, in the G7, the conversations about China, which is now focused on chips and critical minerals, but I'm sure we'll move on to something else within five years once we've put a lot of money into that. That kind of structural thinking is a continuum.

**David Bohigian** 24:43

Well, thank you. Andrew, I'm curious in a post-Brexit world, and how the British business community is seeing this. Are they at a fulcrum? Are they cooperating with everyone? Are they looking at different ways of how to advance their interests?

**Andrew Lewis** 25:02

Let me just take us back to 2016, Brexit. We're still talking about Brexit. I think if you remember back 10 years ago, it was going to be the end of the UK economy, and things were going to decline, and businesses were going to move to Germany and Ireland and Belgium and everywhere else. And I think there's a lot of similarities to what happened 10 years ago to what even is happening today, certainly across Europe, and maybe even in the US. It's probably worth remembering when the Brexit vote happened, it was 52 percent voted for, 48 voted against leaving Europe. And if you look at the demographics of those voters, most of them were older, they were uneducated, they were not in major cities like London. In fact, Scotland and Northern Ireland voted to remain, not leave. So, it was a very small margin, and they were dispersed across different political parties. And the reason they voted for Brexit was through a number of reasons. One is that they wanted greater sovereignty. They didn't want Europe necessarily to dictate some of the laws and the rules. They wanted that to be done from Westminster. They didn't like some of the immigration policies. They wanted greater nationalism. They wanted more control of their economy. And all of these issues in the industrial world today are all sensitive issues. In 2016, the world was also surprised that somebody on *The Apprentice* could become a president. In Europe, in fact, the last few weeks, after 16 years, you had Viktor Orbán in Hungary give up the position and change leadership. In Hungary a couple of years back, you went from a more conservative government to a liberal coalition. In Italy, you went from a centrist to a far right. So, all of these changes are happening on a smaller scale across the board. I think, just from a business standpoint, I represent with the British American Business Council, really businesses looking to do more business with the UK and with Europe between the US. If you look at growth of the UK over the last five years, the economy grew at about 5.2 percent. The eurozone as a whole grew at

about 6.7 percent. Last year, the UK was one of the fastest-growing larger European nations at, I think it was 1.3 percent growth. Some major countries had flat growth. And you compare it to the US, obviously US, over five years, had something like a 9 percent growth rate, and over the last year, 2 or 3 percent. So, Europe is still lagging behind from that standpoint. But I think when businesses in the US look to set up manufacturing facilities, R&D facilities, their European headquarters, I think certainly these days they're not looking at Brexit. They're looking at a broader ecosystem of doing business in those countries. What are the skills? What are the tax rates? What are the employment rates? What are the languages spoken? How can they scale the business? And I think certainly the UK and certainly many of the European countries today, I think are focusing on making sure that the ecosystem of attracting the right types of companies from the US, but equally having their homegrown domestic companies do more business, more trade, and more investment in the US, I think really goes hand in hand.

**David Bohigian** 28:39

Mr. Ambassador, you mentioned the waters that you're navigating across trade and across cooperation on military matters and through NATO and others. Where do you see the most potential for cooperation with the United States, and what do you need from the United States to make that happen?

**Jens Hanefeld** 29:00

Well, I think I already spoke about the value of things which are happening with regard to defense and cooperation in that field. And I think that's something which we can continue to build on. With regard to economic cooperation, Germany's economic relation with the United States is incredibly important for our country. People always say German businesses focus on China. Aggregate investment in this country is 10 times that of German investment in China, just as a reminder. So, I think one has to keep an eye on the realities here as well. I think we, as does the US industry, see the potential of China, but we also see the threat of China. And I think we've really all come to realize the risks and challenges presented by Chinese actions. I think the fact that we, as the European Union, have managed to recently sign agreements with the United States on critical minerals, when Commissioner Šefčovič was here and met with Secretary Rubio, and I believe it was also Ambassador Greer. I think that shows where we can go on these things. I think the question of challenges and regulations is an important one. Europe has always been accused of being a little over-keen on regulation, if I may say so. This is something which I think we are actively reviewing ourselves. Chancellor Merz took an initiative last fall to address the issue of red tape and regulation within the European Union, and we're now actively pushing this to actually see where we can ease regulatory pressure in Europe to also increase competitiveness of our industries and, frankly speaking, also address challenges and issues which have been voiced by US, but not only US companies, when it comes to accessing the EU market. On the other hand, we have to also be quite clear, and even as a German ambassador, I can't speak for European trade because that's something which is handled by the commission at the end of the day, through Brussels. We have to be quite clear, Europe is an incredibly important market globally. It's an incredibly attractive market. One of the reasons why we have a lot of these issues is because US companies find Europe so particularly interesting, otherwise we wouldn't be discussing any of this. So, we have to bear that in mind as well sometimes. It is interesting to see when we look at the potential of the future that undoubtedly, and I think the conference here is a good gauge of

that, I think we see the incredible progress we're making on AI and applications. But what is also fascinating to see is how many companies active in the field are now actually reaching out across the Atlantic, because if I may put it bluntly, the proof of the pudding is in the eating, so you actually need to see the applications. And when you look at that, a country like Germany, which still has a very strong industrial base in Europe, a very high-end tech industry in many fields, suddenly appears to be a rather attractive partner for these kind of ventures. So, I think there's quite a lot of things which we can do. And I would also say when it comes to regulation, not in the sense of cutting it down or preventing things from happening, but addressing necessary forms of regulation, also in light of challenges which we see emanating, for example, from the way China interprets things, I think we actually have some potential common ground which we can work on. This would, for example, relate to industries like the future of 6G, where I think we have a field where it would make a lot of sense to cooperate, and we're actually actively working on that on both sides of the Atlantic.

**Jens Hanefeld** 33:13

And I see more of that happening. I would be remiss if I wouldn't say that I think the pressure we're experiencing right now, it has proved something of a wake-up call, not only with regard to defense spending and defense posture in Europe, but also with regard to the overall issue of competitiveness and the like. We've had the Draghi report in the past. We've had European efforts, but I think the sense of urgency has finally arrived in Europe as well that we need to address these issues, and to increase global competitiveness, increase our competitiveness, and I think being part of a very vibrant and active transatlantic business environment in that context is integral to that.

**David Bohigian** 33:58

Well, Nick, the ambassador talked about competitiveness and regulation from the institutions over there. You've written about reputational security. And I wonder how that plays into the relationship and where you see its strengths and weaknesses for both Europe and the United States.

**Nick Cull** 34:14

Well, my notion of reputational security is intended to reconcile the concept of soft power with the realities that we're living in right now. And I felt that soft power had become something of a beauty contest for the wealthiest nations, and didn't address the challenges to reputation in the world, that reputation isn't just about saying how wonderful we are, but it's also about our adversaries trying to pull us down. I'm really struck by the way in which when people talk about countries' soft power, they imagine that we're all in competition with each other in a kind of battle royale, so that if a person in Turkey decides to learn French rather than Italian, that's a defeat for the Italians, rather than a success for Europe that somebody is choosing to invest in getting to know a representative country from that group. So, where the transatlantic relationship fits into this is that because of our similarities, many countries see our reputation collectively, and if one part of the alliance is letting us down, if we're squabbling, if we are failing to cooperate, that harms the reputation of the whole. So, any work on reputation has to include a collective element, and we can also make our allies more secure by helping them to have a better reputation. I should be clear that I don't see reputation as just based on accentuating positives. I think it's also about

eliminating negatives, and those negatives are the negative realities. So, finding where we're failing and removing those, working to contain and diminish those. So, if we are perceived as corrupt, to seek to reduce corruption. If we're seen as being a racist to actually work against racism, to be more based on ideas of equality. So, that's really where I'm going with this. But when we get to the issue of regulation, I think that sometimes regulation is there for a very good reason, and the European Union's ability to regulate information technology, I think is incredibly important. And whilst I'm glad they're getting rid of some regulation, I think having a tight regulatory regime around information technology, around digital platforms is important because I think that freedom is important, but I'm not sure that Elon Musk should have freedom to have my sister's kids appear naked on social media. I think that there have to be limits and that the European Union is prepared to assert those limits, and that the United States, for various reasons, is less ready to regulate AI and less ready to stand in the way of business platforms, which I think are a risk to the reputation of the United States in the world.

**David Bohigian** 38:09

Well, Andy, in terms of reputational security, would you argue that the US is spending it down and that Europe is building it up? Or how would you see that on a relative basis?

**Andrew Moravcsik** 38:21

That's one of the important questions here. Yes. The US is spending it down, no question. Trump calculates, and I think often US decision-makers in general calculate, that they can get away with this because they're powerful. So, I think the question going forward is what's going to constrain the United States from being what people in Washington now call a predatory hegemon, that is, a powerful country that kind of charges a tax on the margin transactionally on other people, rather than being part of a general regime for managing things in the interest of all countries. And there's one international and there's one domestic. So the international one, I think, is China. So, as we discussed before, looking forward, if there's going to be effective global policies that create an alternative to Chinese power in certain areas, we talked about critical minerals and so on, it's almost certainly going to have to be cooperative between the Americans and the Europeans, or at the very least, the Europeans are going to be a decisive advantage for the United States if it mobilizes it. And that's something that has a somewhat broader constituency in the United States, so you can imagine a world in which, going forward, the United States is willing to deal with the Europeans in a somewhat more cooperative way in order to get that cooperation on this issue. And it's actually hard to see how the United States, over the long term, has an effective policy without that. Then there's the domestic constraint. Many of Trump's policies, as we mentioned before, are designed to favor corporate interests on these issues. We talked about taxes, tax harmonization, tech, pharma, and so on. Even if they do not benefit consumers, as the tariffs did not, as increasing farmer prices does not. And so, if a different coalition comes into power in the United States that has a more balanced notion of how that should be managed, that will bring them closer in their preferences to a lot of issues to Europe, and that might create the possibility of cooperation. I'm a professional political scientist, and I sort of resent the fact that the economists have cornered the market on saying they're the dismal profession. We, political scientists, are the dismal profession. The binding constraint here is politics, international and domestic, and it's going to be rough.

**Andrew Lewis** 41:08

I'm happy to share a little bit from a business perception of how do we look. You've got Nick and me, a couple of Brits that actually moved to the US and chose to live here as opposed to staying in the UK. But the US has a reputation. Number one, it's the biggest economy in the world. It is perceived to be a group of people who are risk-takers, they're innovators, like if you work hard, you can achieve whatever you want. That's the perception, I think, when we look at this country. When you look at Americans, Americans work much harder than most people in Europe. They're focused on their career. They take less holidays. I know I talk to my brother at 4 p.m. his time, and he's driving home, and he's in Spain every other month. But they're not focused. They work to live, whereas Americans are focused very much on their career. And the Europeans are looking at Americans with envy in a number of ways, but I think the Americans are looking at the Europeans as well with envy. And you look at the Scandinavian countries that are always ranked number one of most quality of life in Sweden and Finland and Norway. I looked up some stats in terms of mobility of where people go when they go on holiday, and if you look at Europeans, if they're not flying to different European countries, the top destination is they're coming to the US. And if you look at Americans going on holiday, if they're not going to Canada or Mexico, they're going over to Europe. And it's not surprising that when I looked this up just to confirm, there's over 600 flights a day that leave the US and directly fly into Europe. And that's—obviously, I'm touching a little bit on holidaying, but there's a massive business connection. The reason you've got that velocity of mobility is just a testament to the strength of both those.

**Nick Cull** 43:06

But just to jump in on this question of relative standing of the United States and the reputation of the United States, reputation is not measured based on what a taxi driver says to a foreign correspondent. Reputation has to be measured scientifically, and we can see that in the scientific polling, the US is dropping, but it's not dropping to the level of China, and it's certainly not dropping to the level of Russia. It's fallen out of the top 10 in the Anholt Index, so it's now about number 14, which is a dramatic shift in an index that rarely reflects movement. But China's in 28, and Russia is 59 or something like that. And the reason for that is driven by a European feeling or world feeling that American politics is not working well, and a lot of Americans say that. In fact, the president himself says the political system isn't working properly. It's why he challenges the validity of elections. And the other feeling is that Americans don't like each other, and if Americans don't like each other, why would they like a foreigner who comes to visit them? And again, both sides of the political spectrum spend a lot of energy explaining why they don't like other Americans. So, I think given this, the road back is quite clear, but maybe the place that needs public diplomacy is not the Anglo-American or European-American relationship, but the American-American relationship. Perhaps that's the relationship that needs the greatest healing for the reputation of the United States to be restored.

**David Bohigian** 44:56

Well, clearly there's polarization here, and we talk about decoupling on the world stage sometimes with China, we talk about friendshoring. Is there ever a point that the panelists would see that there would be a decoupling between Europe and the United States? Can things get to that stage, and what signpost would we have to cross, Julia?

**Julia Friedlander** 45:17

I think that to some degree, it's underway now. The sovereignty debate in Europe is a real one. But sometimes I get very confused, and I don't necessarily make friends when I say this, it's like when you talk about European sovereignty, is it actually you're just jealous of American competition and the sort of success of American companies, and therefore you're going to use this as a hook to say we need to subsidize and create an industrial base and a tech base in Europe? But then, of course, there are significant national security concerns that I can understand. And so, the question is, I think for European governments, and this is always to draw the line about what's economic competition and what's national security. And that is going to sort of reconfigure what sort of things have to be reshored back into Europe. Just as America is saying, "What do we have to reshore back into the United States?" We think mostly about China, but it's about supply chain security. So, I think there are going to be limits to this because, again, America is the biggest economy in the world, and Germany still is the third largest economy in the world. And if you think about the European Union as the trading bloc as a whole, there's no way of decoupling this, right? This is something that journalists throw around, and that some politicians throw around in parliaments who aren't actually responsible for dealing with the actual thing in the end, right? There's a lot of bluster out there. So, I think that there are absolutely limits to any country decoupling from any other country in a globalized economy. But I think that if Europe comes up with competitors to American tech companies, then good for them. But the sort of knee-jerk reaction to say we're going to reject American technology and American tech, and we're willing to pay a huge premium on this and have worse service maybe is a knee-jerk reaction they should wait a little while before they make those conclusions.

**David Bohigian** 47:42

Many of the mechanisms for cooperation between Europe and the United States were built in a post-World War II period. So, we're talking decades, to your point, that many of those folks aren't around anymore who built those. Are there institutions that we should be thinking about building today that can be built on top of that, or successor organizations that can be successful in pulling us together? Do any panelists have thoughts about how we develop ties that bind in a positive way for the 21st century?

**Julia Friedlander** 48:17

Come on, guys. This is about—

**David Bohigian** 48:19

I do. *[Crosstalk]* *[Laughter]* I think the institutions we're talking about need to give way to networks, and we're talking about interests here. And the networks will form around the opportunities in a way that institutions kind of get stuck in their lane. And so, I'm hoping that when you can pull together the British industry and German culture and what we're doing here in America with technology, there's different configurations that I think it might not be institutional based, but could be network based.

**Andrew Lewis** 48:54

Look, I think you're seeing more countries that are focused on economic nationalism and protectionism today than you have previously. And if you look, certainly if you look at the last few decades, we've seen a lot more global trade, global mobility. The wealth that's been created over the last decades is greater than any other period before, and I think over time, I think it's going to be a greater movement, even more. Europe and US, I think, have been one of the strongest partners over the years, and I think to what the ambassador was saying, I think China and Asia are going to be coming up. I think there's going to be even more globalization from a business perspective that's going to drive trade, that's going to drive mobility of people, even creating more wealth over the years.

**Jens Hanefeld** 49:51

But—

**David Bohigian** 49:52

Go ahead.

**Jens Hanefeld** 49:53

No, sorry. I do think we have to also bear one thing in mind, and it has been mentioned before, and in passing, I think even as someone who does foreign policy for a living, we also have to recognize all politics is local. So, a lot we see happening right now is actually happening because people wonder whether the system has actually been serving them well in the past. And I think we've seen responses to that, which I think in a lot of our countries, and when I say our countries, I mean in particularly the Western democracies, where people actually have the ability to speak out on these issues, where you see this concern about, "Is this system, our politicians, serving us well?" And a lot of that actually goes down to questions of jobs. It goes to the question of, "What does it mean for my society?" It's a question of affordability and standard of living and the like. And I think we may have paid too little attention to that in the past. We may need to do more of that. Also, to explain the cooperation internationally and the value of international cooperation, I think that's a challenge which we're definitely facing. We do also have to keep

in mind that whenever we see action in international relations and policy, you will also see a reaction. So, whatever you do, something will happen. Somehow people will respond. And I think that's something which is also now beginning to unfold at a time when everybody sort of seems to be withdrawing to the position of, "I come first, and then we'll see what happens." I think we will have to navigate this and sort of make sure that this does not become too disruptive. There's a certain potential for that. But I think, also from a business perspective, a lot is simply to be said for actually maintaining the cooperation, as most companies will tell you. At the end of the day, our debate between the Europeans and the US, particularly when it comes to digital regulation, is based on the fact that US tech companies want access to the European market. It's very simple. So, I mean, they see the value of this, there's no doubt about it.

**Julia Friedlander** 51:59

Yes.

**Jens Hanefeld** 52:00

So, I think we have to bear that in mind, perhaps less in a confrontational manner, and then actually returning to a notion, okay, we don't have to be starry-eyed about stuff, but at least sort of sit down, be real, find the common ground, and then get going.

**David Bohigian** 52:17

We've got a question from the audience on what idea or movement across the Atlantic right now do you think will be most consequential in a generation? We've talked about some of the technology pieces, we've talked about some of the government pieces. We haven't talked much about the cultural pieces. But the panelists have ideas.

**Andrew Moravcsik** 52:34

Well, one thing that's gone downhill in the last five years, 10 years, pretty substantially, is movement of people for reasons that are not private business related. So, I work in the industry of higher education. Moving somebody to the United States, not just from China, but from Germany, to be a fellow, or a former German diplomat to come and teach at Princeton, for example, is far more difficult than it was 10 years ago. Tourism is more difficult than it was 10 years ago. Movement of artists is far more difficult than it was 10 years ago, even to some extent, both ways because of the greater immigration restrictions and work restrictions in Europe. So, I think there are things that we might instinctively count on to broaden the relationship and deepen the relationship that are actually going in the wrong direction today.

**David Bohigian** 53:33

Andrew, any thoughts on what ideas are crossing the Atlantic that are important for both sides in a generation? Andrew? Or Ambassador, all the above?

**Jens Hanefeld** 53:45

Well, I think we have to sort of say, yes, there are challenges. I think there are also challenges which are based on the fact that one of the big issues which all of our communities are facing is the public response to immigration and particularly unregulated immigration. That clearly seems to be a driving force in domestic politics in a lot of our countries, and I think Brexit, I think is a good example for that as well. I think it's something which we need to address. On the other hand, I would caution when it comes to actually saying, "Okay, this is the end of this and the end of that." What we are seeing are some trends here at this point in time. I would be careful also from when I look at our figures and our stats, you see certain things happening, but it's not as dramatic as some people may sometimes think. And there may also be other reasons. Some people do complain, for example, how expensive tickets to the World Cup games tend to be, just as a reminder that there may also be other issues out there. So, I'm somewhat optimistic that we can continue to address this in a joint manner. And honestly, one of the big challenges which we actually see is that—and venture capital, one of the topics here, venture capital seems to be still far more easily available in the United States than in Germany and in Europe. And that still seems to be proving rather attractive for German startups, European startups, who actually intend to move here to take advantage of that. And we actually show that the relationship is actually quite lively and is also actually one of competition, which we have to address.

**Julia Friedlander** 55:36

I actually think there's a convergence in an idea of how we're supposed to live our lives. We've talked about your brother going on vacation to Spain every other month. But I think that when I look at sort of what my younger colleagues are talking about. So, in Berlin, right, there's this understanding that the social security system, the retirement system, is not going to pay your living until you die. And so, some of my colleagues are buying crypto via a central banking license in Lithuania, getting a sort of greater opportunity of participating in the market as a source of wealth. And so the chancellor, to his credit, is trying to shaken this up a little bit and to provide a sort of an access to market-based retirement. And so, you see in the sort of younger generations in Europe and like, "This system didn't work, we're moving." It sounds a little bit more American, what they say. But if you look also here in America, maybe we want the state a little bit more, right? All these sort of impetus in certain parts of the Republican Party that sort of sound like conservative parties in Germany or in Europe to say, "You know, we need to provide more support for families." Sounds like the Christian Democrats in Germany, right? So, I think that there's a sort of response to sort of the shortcomings in each of these systems that are actually converging. And so, that for me is very—and this cost of living issue, both of you just mentioned that. How are we going to be living our lives in the future? I think that that's something that is going to remain a transatlantic debate because the structures are the same and we're confronting the same challenges.

**David Bohigian** 57:31

Well, it's been a fascinating panel across the culture and the reputation and the values that sometimes we share, sometimes we don't, and the perceptions thereof, which sometimes we share and sometimes don't. And it's been interesting also to hear from a generational standpoint, whether the greatest generation and the newest generation coming along, if there's different values and different perceptions there. So, I want to thank all the panelists for pulling together a lot of threads in a revolution that continues to happen for 250 years, the next 250 years and beyond to create prosperity for across the Atlantic and around the world. So, thank you all. Let's please thank the panel.

*[Applause]*

**Announcer** 58:13

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