

Professor Danuta Hübner
European Parliament

"Transatlantic partnership: a new beginning?"

TPN Webinar: "MAKING SENSE OF THE POST CRISIS LANDSCAPE IN ALL ITS DIMENSIONS – WHAT ARE THE IMPLICATIONS OF COVID-19 FOR THE TRANSATLANTIC RELATIONSHIP?"

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It is indeed a good feeling to be again in this Transatlantic Policy Network family. The world is not any more as we know. Thank you Jim to offer us this view of the Golden Gate Bridge and sunny California. We saw each other in February, when I was in Congress and you were planning to be in Brussels around the 12 of April. There was no black swan on the horizon. And here we are talking about the transatlantic agenda through a Webinar in the time of pandemics. Fortunately we do not start from scratch. Actually for several decades we have been investing together, politicians from Congress and European Parliament, academics and transatlantic business community, in transatlantic bonds to make sure that when a bad weather comes we will be prepared to save this strategic partnership. Indeed, the weather has been rather bad for our relationship for a while. Today, I would say, it is even worse and nobody knows for how long this definitely very bad wether will stay with us.

I trust only experts who say we do not know how it will be tomorrow. No doubt, the world, also the transatlantic one will stay under the shadow of corona virus for a while.

Independently, both US and EU will live rough times. Each of the party will have its specific concerns and solutions, especially when it comes to lock downs, confinement,

approaches to everything that affects people's life, confidence in governments is tested as well. We all here realize that in the EU there are some member states plagued by sentiments that have brought President Trump to power. I do not know whether there can be something you would call an easy crisis, it sounds as oxymoron. What we have no doubt today is that this crisis is a very difficult one. It is truly global. It is everywhere and we are all deeply in it. There is no place to hide. There is no chance to relocate geographically to avoid consumption shortages. It affects both supply and demand side. That is why it is so much different compared with the history of 2008-2009.

Let me make just one nasty comment before I become more constructive. It has been very painful for us here to hear from the American President that the European integration had been launched to do damage to America. But still, taking into account both bilateral transatlantic interests as well as shared global interest and responsibilities, till the last moment before the virus hit, we were sparing no effort to find a new basis for the reset of our relations. I remember our last meeting in the Parliament with the then American Ambassador to EU, Gordon Sondland when we were looking together for a new basis for the reset of our partnership. I do not think we found it. Maybe Covid is our chance.

And seriously, before the virus hit we did not manage to make the long list of disputes shorter, they all got frozen with pandemics. Negotiations slowed down. But even if the list of disputes is long, we are not at war. Unfortunately, it does not inspire trust. So one can say, business as usual is not an option, actually nothing works as we would like it to work. But I am convinced that there is a political space for building future relationship based on shared political values, commitments and interests. Our reflection on how to move forward makes sense. And there is not a better platform to do it than TPN.

I see among those things to do now basically everything we cope with in the excellent TPN papers, as well as John's interim report. I see a necessary commitment of both transatlantic partners to global leadership. And I also see the need to work on raising awareness of the fact that we are in this covid thing together and only together we can get out of it in a sustainable way. But, as it always is with relations between US and EU, they depend on trust. And let me say that unfortunately that trust these days is

still very low. In this world hit by the virus there is and will be a lot of pragmatic action. I can imagine that both in the EU and US there will be as well a parallel reflection, among politicians, administration, think tanks, businesses on the new global situation. Can TPN help us to make this reflection as shared across the pond as possible ? As we will need a lot of innovation in approaches to old and new problems, we will have to rethink risks, those we know and those brought by black swans. We will have to look at supply chains rationale. We will have to understand better and review our dependencies. We will have to agree that a self sufficiency approach is not a good option and it will not become a transatlantic buzzword. Global mindset must stay.

Commissioner Phil Hogan and his collaborators tell us that there are contacts across the Atlantic and Phil and Robert Lighthizer are in touch on a regular basis. European Commission is currently working on EU trade agenda. TPN planned to invite Phil soon, the new agenda will be in June, I guess, ready for sharing.

Maybe we can find a common ground with our American partners and go with our trade agendas in a similar direction. We must not lose globalization. Many would like to see it rethought and redefined. Still we cannot waste it. For our transatlantic relation the message should be that trade is a part of solution not a problem now. It will be one of major leverages to take our economies out of this crisis. It is even more important because multilateral system related situation is serious. WTO activities are being pushed back, postponed. Very few multilateral activities continue.

Huge fiscal stimuli are being offered to national economies. They will affect level playing field for fair competition. This might stimulate protectionism and self sufficiency temptations. Both historical experience and what we see now, during the Covid crisis, seems to warn us that we might see more nationalism rather than less in the years to come.

Post covid situation will be about finding an adequate balance between competition and collaboration. I hope that competition will remain core cultural value underpinning relations between states and between businesses. On the other hand, the fact that finding solutions to what pandemia has brought to our reality will demand a lot of collaboration.

Priority now should be to cooperate more than ever globally. This is the time to bridge political gaps. Of course both the EU and US will be steering their economies through troubled waters. And for this we will need business on board. One can say that Covid is a stress test for companies. Many will need state aid. But not all. There are those able to respond to crisis. That is why here, in the EU we are trying to avoid wholesale solutions, we focus on rather targeted aid. But we might make mistakes. There is a lot we do not know. We do not know how long can various businesses survive. That is why it is so important to end this pandemic , to restore growth, to build resilience of the economy , that governments and other stakeholders, in particular businesses must work together. And of course it is not going to be a walk through a park.

China is caring a lot about its global reputation, sparing no effort to boost its global relevance, being very active in the WTO and striving for global influence. EU will continue its efforts to be a strong and credible global player. But is there a chance that the US stance toward Europe will change dramatically enough to making a joint response of the western world possible.

And, both here in EU but also when building bridges across Atlantic, we should do everything we can to ensure that the world will continue as open global system. The question is whether this can happen without EU - US partnership back on track.