



Speech by German Ambassador Andreas Michaelis

“Transatlantic Goes Global”

October 27, 2023, Boston, MA

“Transatlantic Goes Global”

The horrific Hamas assault on Israel has shaken us to the core. Although the suffering, the terror, and the lethal attacks on the citizens of Israel have been a terrible reality for decades, we are currently witnessing an unprecedented level of cruelty with unknown regional and global consequences. I worked and lived in Israel twice in my career. I have many friends there and deep ties to this country. The current situation saddens me immensely.

It may not seem evident, but the current situation also underscores something encouraging: the significance of transatlantic cooperation. Since the very beginning on October 7, the U.S. and Germany have discussed and weighed their steps together and we have spoken with one single voice – as we nearly always do in international politics these days.

Within a very short span of time, the U.S. and Germany have experienced serious political and security challenges. Last year evidentially in Ukraine. This year in Israel. The former concerned the peace and freedom of an important European country while challenging the security architecture of Europe. The latter concerns the security and existence of one of our closest allies. However, this is also about the future and stability of the Middle East. It is obvious that both challenges have wide-ranging geostrategic implications.

In addition to this, there are definitely a number of smaller regional challenges keeping us busy today – such as Kosovo and Serbia or Armenia and Azerbaijan. They require a significant degree of transatlantic initiative and coordination.

This is a long list of security challenges. And it covers only the area of current security policy issues. Naming the full scale of our cooperation from exploring the Arctic to launching astronauts into space would fill the entire evening.

We also need at the same time to address global questions such as the future of economic and trade relations, climate change, critical technologies such as AI, (I think you had a session about it earlier) and the broader field of international norm setting.

A key question will be how the U.S. and Germany manage to deal with China in an adjusted and appropriate way. Furthermore, the U.S. and Germany want to shape a successful cooperation with partners in the Global South.

Ladies and Gentlemen,

This is quite a list. It clearly shows: Our political environment and our forms of cooperation are changing. We have reached a pivotal moment: Our close cooperation is much broader than our immediate relationship.

After sticking together for decades to defend our freedom and values during the Cold War, after years of unipolarity and shifting horizons, we are entering a world marked by many different centers of power that

are often hostile and non-democratic. We are dealing with waning alignment and less reliable international rules and norms.

In this sense, I fully agree with the assessment of National Security Advisor Jake Sullivan, who stated in this week's new edition of *Foreign Policy* that we are currently entering a new era in which the U.S. – and, if I may add, its partners – need to adjust “for a new period of competition in an age of interdependence and transnational challenges.”

What follows from this? Well, I think first and foremost, it is time to stick together again. In this sense, this agreement will lead us in a way towards our instincts and instinctively is sticking together is what we are currently doing.

The foundation for doing so are very good: I think I can say, I am in this job for 35 years, that the relations between the U.S. and Germany have never been better than today. Even and especially in times of crisis. However, if it is true that we have entered a new environment as transatlantic partners, then we should learn how to organize ourselves in this brave new world.

Allow me to share some observations: Germany and the U.S. are by no means equally strong partners. There has always been an asymmetry in our relationship. This asymmetry will continue. Even under the new conditions. This asymmetry often leads to the question: Germany needs the U.S., but does the U.S. need Germany?

In the new world, we are not just partners. We will experience a new, a re-energized form of interdependence. To me, this is a good thing. Transatlantic interdependence is not a risk. It is an asset. It represents a win-win. It is actually our life insurance in a turbulent world. Over time, our partnership will evolve from a bilateral relationship to – and I use this big word – to a global one with a transatlantic core at its center.

Partners such as France, the UK, Canada, and Italy have already formed a core group with us. And our cooperation with them is not restricted to the traditional transatlantic sphere. Their cooperation turns out to be far more global – as increasingly does ours. The core transatlantic partners should not form an exclusive group. It is important that we preserve openness. There are certainly important partners in Asia, Africa, and Latin America who are able and interested to join us.

However, we have to maintain the ability of a transatlantic core to define and take first steps. The ability as a world to initiate action. Well, what could this asymmetry and interdependence and the transformation from a bilateral to a global relationship actually look like? What does it mean for our approach in certain policy fields or with regard to security challenges big and small? And what does it very concretely mean for the inner workings of U.S.-German relations?

Normally, after laying out so many questions, I would challenge us all to think “outside the box.” Today, I am doing the opposite: I want to think “in boxes” together with you to try to understand how the transatlantic relationship is going global and identify areas where this partnership will continue to be decisive.

The European Box

Let me start with the European box. For decades during the Cold War, the value of the transatlantic alliance was self-evident. Faced by a common threat, the U.S. and Western Europe simply had to work together. However, it was an asymmetric partnership by design. Despite its own contributions, (Western) Europe was dependent on the U.S. as a guarantor of security.

In 1989, when the Berlin Wall came down, more than a few political experts saw the end of the postwar era. A popular thesis at the time even advocated the “end of history,” according to which democracy – and the international order that had been established largely by the U.S. – had prevailed as the universal model of order.

Great power competition seemed to be outdated. In the wake of the collapse of the Soviet Union, and the rise of China, the strategic importance of the transatlantic alliance seemed less evident. There even was a discussion in Germany about ending what we in German called “*Westbindung*” – Germany being embedded in the West – in favor of an equidistant alignment.

As we know now, the fall of the Berlin Wall didn’t signal the end of history. Granted, the focus for some time turned to international terrorism and non-state actors. From a geopolitical point of view, however, Germany’s postwar period abruptly ended on February 24, 2022, when the brutal Russian invasion of Ukraine happened.

Some used to think that the close economic ties between Russia and Europe would be enough to prevent Putin's imperialist great power ambitions. That was plain wrong. The “*Zeitenwende*” ended the unconditional belief in “*Wandel durch Handel*” (change through trade).

From today’s perspective, the notion of Germany maintaining an equidistant position between the centers of power is obsolete. And there should also be no doubt on the U.S. side that support for Ukraine is as essential for the U.S. as it is for Europe. We cannot afford to concede to Russia’s desires for domination. At the same time, over the last 30 years, we have seen the European Union emerge as a geopolitical player in its own right – often I admit very imperfectly (as we are seeing today sometimes), but increasingly as an important player.

Pivot to Indo-Pacific / The Geopolitical Box

There is no doubt: The Indo-Pacific region has emerged as the geopolitical and economic center of gravity in the 21st century. You all know the facts: The Indo-Pacific is the world’s most dynamic, fastest-growing economic region. Seven of the world’s largest militaries are located in the Indo-Pacific, five of them with a nuclear program. Not least, China's rapid rise, both economically and militarily, has transformed the region into a major arena of competition. Its assertive actions in the South China Sea and ambitious Belt and Road Initiative underscore the need for a unified response from the U.S. and the EU.

None of the important strategic and world economic issues will be decided without the Indo-Pacific region. Especially in Europe, we must be very clear about this and sometimes blurred: The Atlantic region is no longer the primary global economic area. It is also no longer the geopolitical strategic center. If we want to shape the future together, we must understand the pivot to the Indo-Pacific as a permanent one.

The Values Box

For a long time, we have believed in the fact that the Allied liberation of Germany from the Nazi terror and the postwar paradigm were the foundation of our friendship. But our societies are changing. Not only are there ever fewer people of the postwar generation, but the cultural backgrounds of our societies are also changing. As the last U.S. census in 2020 demonstrated, European heritage in the U.S. is no longer predominant. U.S. society is becoming more colorful and more diverse. And so are our societies in Europe. Our societies need new and credible narratives to fortify the transatlantic partnership. For many young people, the value of having trustful transatlantic relations is no longer self-evident. But I am convinced that our younger generations also have a lot in common:

- the desire to save our planet from man-made climate change and environmental degradation,
- the desire to live in peace,
- the desire to be treated fairly irrespective of one's identity,
- the desire to be able to decide how to live one's life.

It is my conviction that, despite all justified criticism of shortcomings in our societies, the democratic foundations of our countries remain at the core of our relations. Let's not talk down the value of our democratic societies. Sometimes, things are blurry from the inside, but distinct from the outside. Just allow yourself to think about who you want to be? Which society do you want to live in? Where do you want your children to grow up? Maybe your answer is not the country you live in today. But would you rather live in China or Russia than in the U.S or Europe? I might have an idea how the vast majority in this room would decide.

The Global Governance Box

Transatlantic relations are not an end in itself. Many problems we face in our world today can only be solved on a global scale. But in my view, functioning transatlantic relations are a precondition for global cooperation. If we can't do it, nobody will do it for us.

Climate

I don't need to waste words in this room about the importance of dealing with climate change. The days when you could simply deny man-made climate change are truly over. As major contributors to historical emissions and as substantial economic powers, we do not only have an obligation to lead in the fight against climate change. We also have the means with our centers of technological innovation and hubs for clean energy research and development.

In Europe, the legislative initiative of the U.S. government and the large-scale Inflation Reduction Act was watched with great interest. The pace at which we are seeking opportunities for sustainable development has noticeably increased on both sides of the Atlantic. But let's face it: We still have quite a long way to go to bring our climate policy goals together. This remains a pressing and difficult task.

Trade

I must admit that I am sometimes disappointed by the state of our trade relations. And I am not the only one. Over a long period of time, we have always seen free trade between Europe and the U.S. as a great advantage in the development of our economies. As German Chancellor Olaf Scholz put it at last month's Citizen Awards ceremony:

“Free trade has led to unprecedented economic growth and helped lift hundreds of millions of people in Africa, in Asia, and in Latin America out of poverty. That is why I share [the] conviction, that decoupling, reducing trade to just friends, or even higher trade barriers, are not the answer. [D]eeper, deconcentrated, and more diversified global supply chains offer a route to interdependence without overdependence.”

I don't need to list here the many setbacks of the past years. But, frankly speaking, I also miss the ambition these days to finally move forward again here. Let's not forget: We also have a global role model function. If we don't get it right, who will?

Artificial Intelligence

In an era of disruptive technology, artificial intelligence stands out by dominating the discourse. There's no way around it: As AI shapes the future, the establishment of a common U.S. and European policy on

AI becomes increasingly important. Our Digital Minister Wissing was just in Washington during this week and had very very intense discussions about how we could possibly move forward with regard to a common understanding of a regulatory environment with regard to AI. It is no coincidence that these discussions were also a central topic at last week's U.S.-EU summit in Washington. AI, will be transformative, raises numerous ethical and regulatory challenges. Issues such as bias in algorithms, data privacy, accountability, and the consequences of AI for employment are obvious fields where we need strong transatlantic commitment.

Moreover, AI relies heavily on data, and both the U.S. and EU have different approaches to data protection and privacy. The EU's General Data Protection Regulation (GDPR) is one of the most stringent privacy laws in the world, while the U.S. takes a more sectoral approach. We should work on bridging the gap between these approaches and facilitate the free flow of data while ensuring robust privacy safeguards.

Last and, for sure, not least: AI has profound implications for national security. It is playing an increasingly crucial role in defense systems, cybersecurity, and intelligence. Without transatlantic consensus on common standards and their strict monitoring, the world of the future will be less secure.

Unboxing

What does all this amount to? Well, in the end it is about the transatlantic ability to initiate action from a global perspective. In an important way, this is already the case. Just look at what we actually do together. We work together on key security challenges. We also confront global issues: trade, climate, new technologies.

For Germany as much as for the U.S., our bilateral relationship is crucial if we want to take action and make a difference in the world out there. This holds true quite independent of the asymmetry and difference in size. However, our relationship needs to be part of a wider but open group of core transatlantic partners. I would like to quote NSA Jake Sullivan for a second time. What matters is that we are “adjusting for a new period of competition in an age of interdependence and transnational challenges.”

Let us stick together. Let us move closer. Not just because we are being pushed by outside pressures. Let us actively increase the interdependence between us. Because there is a huge potential to be realized.

Once we succeed in establishing a modern transatlantic framework for our economic partnership, once we create a strong political platform for joint action, and once we have embarked on an even deeper security and defense partnership.

Only then will we be ready to offer our people the prosperity and freedom to succeed in “a new period of competition.”