Forging the New West
Analyses and Essays on the Future of the Transatlantic Partnership

Celebrating 40 Years: The Coordinator of Transatlantic Cooperation at the Federal Foreign Office
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The United States and the Federal Republic have always been firm friends and allies, but today we share an added role: partners in leadership.

George H. W. Bush, 1989

The transatlantic alliance is back. And we are not looking backward; we are looking forward, together.

Joe Biden, 2021
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Foreword
Heiko Maas, MP
Federal Foreign Minister

A Firm Foundation for the Transatlantic Relationship

Germany’s friendship with the United States and Canada – partners who share our values – runs deep, rests on a solid foundation, and is now more important than ever.

After its crimes committed during World War II and the break with civilization that was the Shoah, the fact that our country is today firmly anchored in the liberal and democratic Western system of values is by no means something we can take for granted. It is an achievement for which we are indebted to, among others, our partners on the other side of the Atlantic. Without the Marshall Plan, and without the support given to us during German reunification, our country would look different today. It is equally true that, as a Western nation, Germany is built on two pillars: its close partnership with North America and its deep integration in Europe.

I want to thank Peter Beyer, the current Coordinator of Transatlantic Cooperation in the Field of Intersocietal Relations, Cultural and Information Policy, along with his predecessors, for their strong commitment to, and promotion of, the transatlantic partnership – here at home and in the US and Canada. I also want to thank all those who for many decades have imbued our transatlantic relationship with life, creating and maintaining unique and multifaceted ties with Washington and Ottawa. I am thinking firstly of all the people who in their professional and voluntary activities have devoted themselves to nurturing these fundamentally important ties – through associations, thinktanks, and institutions, as well as in numerous German–American
clubs, as committed teachers, and as host parents who help foster student exchanges. Lastly, I want to thank the many American and Canadian soldiers who have been stationed in Germany. For decades, they not only guaranteed the security of Germany and Europe, but also acted as ambassadors of their countries. It is through such deep, wide-ranging activities that our relationships have evolved into friendships.

Our amity is built on freedom and shared values. This is what, now more than ever, makes the transatlantic partnership an imperative alliance and a bond of mutual assurance. As our democracies face great challenges from within and without, we must stand even more steadfastly side by side, as guarantors of security and prosperity on both sides of the Atlantic, in order to make our democracies, our frameworks of laws, and our civil and human rights more resilient – knowing full well that first we must apply these standards to ourselves.

In addition, it is crucial that our countries remain committed to upholding the rules-based international order and to engaging in multilateral cooperation. This is the only way that we can successfully meet the pressing and formidable challenges of this century. Whether on global challenges such as pandemics or climate change, or tackling issues like an ever more assertive China or an increasingly aggressive Russia – we need our counterparts on the other side of the Atlantic if we wish to preserve the peace, prosperity, and resources our lives depend upon.

Looking to the next forty or even eighty years – if we dare cast a glance beyond the end of our century – we must renew the ties between Europe and North America in a spirit of reciprocal trust, so that we can meet the demands of the 21st century and beyond. There are many paths that lead to this goal. Most importantly, we need to win the hearts and minds of our countries’ young people, as well as to encourage and harness their mutual curiosity. Because it is clear that transatlantic relations, in the form of social, political, economic, security, and cultural ties, are still vital – in the future even more so than the past.

We need our counterparts on the other side of the Atlantic if we wish to preserve peace and prosperity.
The Future is Transatlantic

The Atlantic alliance is not obsolescent; on the contrary, it is the key to a future worth living in.

The position of Federal Government Coordinator of Transatlantic Cooperation was created forty years ago, and an anniversary like this always provokes questions about the future: where will we be forty years from now? To what extent are artificial intelligence systems influencing democratic political processes? Have we slowed down climate change? What is China’s role? Are liberal democracies and the free world losing or gaining ground?

Of course, no one knows what the world will look like in 2061. I will, however, venture a prediction: the world, and not just the West, will be far more worth living in and more liberal if Europe, the United States, and Canada continue to team up in a firm alliance as equal partners based on trust. Of course, ideally there would be close cooperation between all “like-minded democracies”, as Joe Biden puts it.

If there is one lesson we have learned in recent years, it is that transatlantic cooperation is not a law of nature. Instead, we must campaign tirelessly every day for this partnership and friendship. In this way, we will prove to all those who invoke “strategic autonomy” for the European Union, or who speak of the hollowing out and fatigue of the Western alliance, that the transatlantic bond is not obsolescent, but instead very much in demand today – and the key to a future worth living in.
The transatlantic reflex – and transatlantic reflection – are traits shared by every contributor to this volume celebrating forty years of the Federal Foreign Office Coordinator of Transatlantic Cooperation. I want to warmly thank all of the contributors. I also most respectfully pay tribute to Ms. Hildegard Hamm-Brücher and to my other predecessors in this office. Every single one has worked with great dedication, political acumen, and sustained passion to foster relations with our friends on the other side of the Atlantic and has thereby made a lasting contribution to our alliance.

We must campaign tirelessly every day for this partnership.

I would also like to say a special word of thanks to the people of Canada for the long-standing friendship and close ties that our countries enjoy. Canadians continue to impress me with their innovative and creative energy, and by consistently standing up for democracy and human rights. I am also thankful to the many US citizens who go that extra mile every day to promote transatlantic relations, especially by seeking to remain partners engaged in close dialogue with Germany and Europe, even when the going gets tough. At the German embassies in Washington and Ottawa, and at our consulates general throughout North America, our diplomats have been busy nurturing ties in difficult times – I am grateful to them, as I am to all those who share my passion for our transatlantic friendship, both in their professional and private lives. Lastly, I want to thank all those who have helped bring this volume to publication – especially my dedicated team at the Federal Foreign Office, Susann Schuld, Iskandar Jahja, and Alexander Kohnen, as well as our language services staff.
Mobilising the Atlantic Alliance to Fight Climate Change

What kind of world do we want to leave to future generations? One thing is clear: if we want to stop extreme weather events, desertification, and water stress, we will need optimal coordination between the innovation beacons that are Germany, the United States, and Canada – and success will hinge on free and fair trade.

As we celebrate forty years of institutionalized transatlantic cooperation between our countries, humanity faces an ever-worsening climate crisis. The least that can be said is the world will need optimal coordination between those innovation beacons that are Germany, the United States and Canada.

The stakes are enormous: climatologists warn that the current trajectory in greenhouse gas emissions (GHG) will lead to a global warming of at least 3°C above pre-industrial levels by 2100, with warming continuing after. As we know, the Paris Accord target is to keep global warming well below 2°C. A 3°C – or more – rise in global warming is not a world that we want to pass on to future generations, with increasingly extreme meteorological events, rising ocean levels, extinction of animal and plant species, prolonged droughts and record heat waves, desertification, food scarcity and water stress...

With current government commitments, global CO₂ emissions will only decrease by 0.5 percent by 2030 compared to 2010. To keep global warming below 2°C, however, CO₂ emissions should be at their maximum now, and subsequently enter a steep decline, until they are at half of today’s level by 2040 and on course toward net zero emissions by 2070.
The world will not be able to overcome such challenges without strong transatlantic cooperation, fully mobilizing our three countries especially. This mobilization must include our governments, our private sectors, and our populations. After all, ninety-two of the hundred largest clean tech companies are in our transatlantic area, including fifty-one American, eleven Canadian and nine German (according to the Cleantech Group).

The Canadian economy, although smaller than those of Germany and the United States, is among the world leaders in clean technologies, and has many strengths in clean resources, CO\textsubscript{2} capture, energy storage, smart grid, hydrogen and water technologies, and the availability of rare earths, to name just a few. Canada has the capacity to export a surplus of clean, renewable energy that can help the US and Germany meet their GHG reduction targets. For the Canadian economy to achieve its full potential for a clean transition, the American economy must also push in this direction. This is also true for the German economy, which needs an American partner fully committed to the path of sustainability.

Fortunately, this fortieth anniversary coincides with significant revitalization and progress in our relationship. A resolute comeback by the United States is more than welcome, because this superpower is essential to build a sustainable economy that respects life on Earth.

The US is back in the Paris Accord and can be counted on to help the world to make progress at the United Nations World Climate Summit, COP26, scheduled for November in the United Kingdom. Germany, Canada, the European Union, the United Kingdom, and now the United States under President Joe Biden share a common goal of achieving net zero GHG emissions by 2050: heartening news, but 2050 is only thirty years away. Achieving carbon neutrality by then will only be possible if we all work together.

To do so, we need to trade and bring clean technologies and green resources to our markets. When an innovation that can produce goods while reducing pollution comes to life in Germany, I want Canada to adopt it as quickly as possible. The fastest way to do that is through trade. Were the US Green Plan to exclude foreign manufacturing and clean technology innovations, whether Canadian, European, or other-
wise, it would make it much more difficult for Americans to transition successfully to a cleaner economy. Committed to free and fair trade through both CUSMA and CETA, Canada understands that success can only come through cooperation and inclusive trade, not through harmful protectionism. This is especially important now, as the world seeks to emerge from one of the worst health and economic crises in living memory.

That is why it was great news when, on February 23, 2021, Canada and the United States charted a roadmap for our renewed bilateral partnership that places the acceleration of our climate ambitions front and center. Prime Minister Trudeau and President Biden agreed to enhance cooperation on sustainable and equitable energy transitions, clean energy innovation, connectivity, and low-carbon transportation.

The strong bilateral relationship between Germany and Canada can contribute greatly to building a sustainable global economy. This year marks the fiftieth anniversary of our Intergovernmental Agreement on Scientific and Technological Cooperation. Germany and Canada have long cooperated on energy and climate change issues, most recently within the Powering Past Coal Alliance, which Germany joined in 2019, and through the signing this year of a bilateral Memorandum of Understanding establishing an energy partnership. This latter development accelerates our marked efforts to promote hydrogen as an alternative clean energy source. These are exactly the kinds of projects that are necessary among transatlantic partners if we are to fight climate change successfully.

Ultimately, however, success is only possible with the support of the people. Both Canada and Germany are implementing plans for a just and equitable transition, ensuring that workers and their communities will be fully part of a low-carbon economy: it cannot be built without them. Prime Minister Trudeau and President Biden have also pledged to work together to protect businesses, workers, and communities in both countries from unfair trade by countries failing to take strong climate action.

Our three countries must jointly use all multilateral levers to mobilize other countries against climate change and help the most vulnerable countries to adapt to its harmful effects. In particular, we must speak with one voice to China, which alone emits twenty-nine percent of the world’s emissions, more than the European Union, the United States, Canada and the United Kingdom combined. There is no solution without China, given its increasing impact on global warming, and its growing technological potential.
One possible multilateral mechanism deserves special attention: a world carbon price. The US Special Presidential Envoy for Climate, John Kerry, has recently revived this idea. Canada has set an ambitious carbon price, which will rise from its current $30 per tonne of GHG to $170 in 2030. En route to a credible global carbon price, a strong transatlantic consensus, including a common WTO-compatible approach to carbon border adjustments, could act as a catalyst.

Canada is in a unique position. It is a country of the Americas and the most European of the non-European countries, and has significantly developed its relations with the Pacific region. It will do everything in its power to work with Germany, the United States, and all partners, to build what European Commission President von der Leyen has called “a fairer, more prosperous society...[with] a more resource-efficient, competitive economy” capable of achieving the goal of carbon neutrality by 2050. Let us start now, towards an environmentally friendly economy in this next, most crucial phase of our post-Covid recovery.
Germany to Become One of the World’s Top Three Global Innovation Hubs

China and Israel’s technological achievements show that Germany and Europe can be at the forefront of the digital transformation. For this, we will need not only financial resources, but also cultural changes. Here’s what needs to be done now – a blueprint.

THE PROBLEM

Silicon Valley, Beijing/Shanghai/Shenzhen and Tel Aviv are leading the world as the most important innovation hubs, from where most new leading-edge technologies and a fresh generation of highly successful companies arise that first disrupt and then lead major industries. This includes consumer services, biotechnologies, core technologies like AI, and electric cars. Yes, Germany scored an impressive, globally visible win with BioNTech’s mRNA-based coronavirus vaccine, is finally catching up a bit in the development of electric cars (VW, BMW) and has some significance in crypto and AI (the “AI campus”). But Germany, and indeed Europe as a whole, still lags so far behind other nations as an innovation hub that its competitiveness and its further ability to create jobs and wealth in a decade from now are questionable.

China, on the other hand, has largely come from behind (and maybe even from nowhere) over the last ten years in terms of driving innovation. The perception that China is largely about copycatting is outdated. China is engaging in major innovation in AI and biotech, with a massive focus by the government and the private sector combined. Within less than a decade, China has managed to go from startup diaspora to startup center, from copycat to innovator.
Israel, as a small country, has also managed to build a strong reputation for innovation, not for consumer services but for core technologies like security software, crypto, AI, and the software–biology interface.

China and Israel, with their different sizes and approaches, show there is a window for Germany to find its own path to becoming the world’s third axis of innovation: Silicon Valley, China, Germany.

GOALS
1. Establish a clear aspiration for Germany to become one of the world’s top three innovation hubs along with Silicon Valley and China, and the number one innovation hub in Europe. Without such a clear and “hard-to-achieve aspirational goal”, the right people and necessary resources will not be drawn in.

2. Develop a roadmap to achieve this aspiration, based on Germany’s culture, strengths, resources and needs; at the same time, take into account Germany’s weaknesses and domestic issues, to avoid “reality surprises” along the way.

3. Define the specific resources needed to make the roadmap happen, especially human and political resources and cultural change needed. These are in addition to the more obvious financial and educational resources.

4. Get a team in place early to kickstart and further drive this agenda.

IMPLEMENTATION
1. Activate German innovation talent around the world.
I have seen how much the German “brain drain” is happening – many top German entrepreneurs and innovation drivers are living and working abroad. This is not just a problem, it is a major opportunity. The German entrepreneurs and investors living in Silicon Valley, Boston, China and Tel Aviv (and many other places, like Switzerland for biotech, or Canada for e-commerce) have experience in building successful startups, and how to invest heavily in companies to bet on their future. At the same time, they understand Germany’s culture and heritage. They are the most valuable resource to help Germany develop an innovation culture.
a. Some of the top people need to come back to Germany to help initiate this project, to attract entrepreneurial talent and to place wagers on companies’ future success.

b. Other successful Germans living abroad should remain where they are, to acts as a bridge to these innovation hubs, and to transfer ideas, entrepreneurs, and capital to Germany.

As an example, the highest-valued startup founded by a German is not SAP, which Germany likes to present as its major startup success. SAP will be fifty next year and is by no means a startup. It is Shopify, started by the German entrepreneur Tobi Lütke in 2006 and based in Ottawa, and currently valued at $140 billion, about the same valuation as SAP. Tobi Lütke was actually born in Koblenz eight years after SAP’s birth.

2. **Create a political support structure from the very top.**

   Germany needs to send a clear message that “We are open for innovation and entrepreneurs, and we believe our future lies in innovation.” If effectively conveyed, this should fit perfectly with what Germany stands for, and what made Germany great. After all, we invented the car, the fax, and the mp3. Innovation in precision machine tools technology will not be enough in future; we need to be innovators in the areas disrupting the world right now, from artificial intelligence (while also being a world leader in privacy technology) to electric self-driving cars (where Germany is currently playing catch-up and not acting as the leading force it could be, given its market dominance in cars) to biotechnology and gene therapy (BioNTech’s success offers a once-in-a-generation opportunity for Germany to act as a springboard to being a biotech hub).

a. **Create a chief innovation officer or “Ministry of Innovation” in the federal government.** This person needs to drive innovation, to push for change, and to open doors in Germany and globally to the right contacts, financial resources, and cultural adaptation. To create a buzz around Germany as an innovation country, one that attracts talent and capital.

b. **Create clear government support for driving specific core technologies** in which Germany needs to play a vital role: for example in AI, crypto, privacy, self-driving cars, early disease detection and treatment (cancer especially), chronic disease remedies (particularly for diabetes, obesity, and heart failure), and gene therapies (CRISPR, mRNA, DNA). This includes initiatives like the US Department of Defense’s DARPA challenge prizes (Google’s Waymo self-driving car division
Game-changing startups grow in an environment where ideas, talent, innovation climate, and capital are available.

c. Get digital infrastructure done. Germany needs to be the leading broadband country in Europe, in terms of both landline and mobile speed. Of course, the costs will be high, but investing in cyber infrastructure is just as important, and perhaps even more so, than investing in maintaining our physical transport infrastructure. Being in the top five in broadband speeds around the world is not negotiable for Germany; it is a must.

Germany's government will play an important role in this. It is true that genuine innovation only comes from the bottom up – but it can be hugely accelerated from the top.

3. Leverage more effectively the best educational institutions Germany has to offer. Germany can boast top technical universities (like LMU Munich, KIT Karlsruhe), research institutes (the Max Planck Institute) and business universities (WHU Koblenz, KIT) that produce strong engineering, science and entrepreneurial talent. We should leverage this advantage to a far greater extent to drive innovation.

a. Help universities with funds to bring top academic talent back to Germany after their academic stints at Harvard or Stanford, for instance. Many academics stay in the US after they first went into academia there. The goal is not to stop them going – of course, that is desirable for many reasons – but rather to bring them back after a couple of years, so Germany can benefit from their networks and talent.

b. Entice German students who went from top German institutions to the best international universities to return to Germany after their first job in Silicon Valley or China, so that they can bring back their experience and insight. This is what China has done so well – more and more Chinese graduates from top US universities work in the US straight after college, and then return to join a state-backed Chinese startup in Beijing or Shanghai. Educated talent returns.
c. Invite the most successful German tech entrepreneurs to teach at German universities as guest professors. In the US, for example, Reid Hoffman (founder of LinkedIn, early member of Paypal and now on the Microsoft board) taught a special course at Stanford about rapid scaling of startups. It was filmed, uploaded, and went viral. This attracts entrepreneurial students.

d. Market university brands. It continues to amaze Germans who live abroad how little German universities are known. Not a single university in Germany is truly famous abroad, unlike the UK’s London School of Economics, Oxford, Cambridge, or France’s Sciences Po or the Sorbonne. (The Max Planck Institute, while highly regarded, is not a university, and even the MPI is familiar primarily to academics rather than to the business community that drives real-world innovation.) This is not a problem of quality but of branding and marketing, and can be addressed only with the right people and adequate resources. Germany is generally not expert at marketing itself. There are some valid historical reasons for this, but it does not need to extend to themes around education and innovation; self-restraint in this area is counterproductive. Thoughtful investment in international marketing and PR are needed.

4. **Leverage captains of industry.**

Germany has many great and globally successful companies. It is in the interest of industry leaders to support Germany’s transformation into an innovation hub. While they won’t drive this evolution – after all, startups rather than large companies will likely create the most significant innovations – they should be supportive. This can lead to funding and networks that can be tapped. A top-priority government initiative will tend to be taken more seriously by industry leaders in Germany. In fact, the best way to get them engaged is to show support from top industry leaders abroad. What would the CEO of Siemens say when being asked to support the Germany Innovation Initiative when Jeff Bezos has already made a commitment to it? International industry leaders would be encouraging because they view Germany as the economic engine of Europe, and a crucial market where their own company image matters, and they look to Europe to become more innovative and receptive to new technologies like their own.
5. Expand the venture capital industry.
Germany's venture capital industry needs regulatory and government nurturing and incentives to take risks at larger scales and to foster founder-friendly terms. Because game-changing startups grow in an environment where ideas, talent, innovation climate, and capital are available. There are two problems in Germany's venture capital world today:

a. The capital must offer attractive valuations for entrepreneurs. Valuations in Germany are too low at the early stage, resulting in only small amounts of capital and their wide diffusion and therefore dilution among entrepreneurs, a landscape that underfunds and discourages them. This could fix itself with more positive exits, but it can be accelerated. Otherwise, the top VCs from the US will sweep in and make those vital early-stage deals (the top-ranked firm Sequoia Capital opened a European investment arm in post-Brexit London, not in Berlin).

b. Later-stage investors from abroad are attracted to the valuation advantage in Germany and tend to come and take large stakes in German startups once they look successful. Pitchbook, the main global VC publication, ran a cover story in April 2021, “How foreign investors are tapping into Germany's late-stage VC boom”. The Technical University of Munich found that two-thirds of growth companies that are co-financed by non-domestic investors are subsequently sold to foreign investors or go public in another country, as opposed to a third of growth companies that receive funding from domestic investors.

6. Create a startup team.
Nearly all big ideas start with a small team of believers and renegades. The first steps are to commit to a business idea, then to form a small team, funded by the government and perhaps industry leaders, to create a roadmap which is then followed. This team needs to be empowered and provided with a budget and direct support from the highest levels of the German government.
Vying for Pole Position in the AI Race

Germany must finally awaken from its digital slumber – and make up lost ground on software development. We cannot afford to miss the future.

Germany no longer builds computers. The situation is not much different in the United States – the production of computers has been outsourced to Asia. While the US remains at the forefront of chip development, it is no longer a top chip producer either. Most chips are made in Asia, and only two companies in the world have the most advanced chip technologies: TSMC in Taiwan and Samsung in Korea. Both of these companies will invest more than $60bn annually in new chip manufacturing plants. China intends to build its own chip factories to become independent from the US. It is estimated that in the coming five years more than $500bn will be invested in new chip factories to meet the insatiable demand for the building blocks of the digital world.

As important as chips are, and right now the world can’t make enough of them, what has enabled the digital revolution, from the smartphone to the cloud, is the software that runs on these chips.

“Software is eating the world,” said network pioneer and venture capitalist Marc Andreessen ten years ago, predicting that software would drive value creation across most industries.

Rarely has a prediction been more spot-on than this. Our lives have been transformed by the countless digital services available on the internet. And speaking of value creation, the five most valuable companies in the world – Apple, Amazon, Facebook, Google, and Microsoft – have achieved a combined market value of $8.6 trillion, a number so large that it exceeds the GDP of every country except the US and China.
Germany can rightfully pride itself on being a leading global manufacturer and having the strongest economy in Europe. However, in the key software sectors and business models that are driving the digital revolution, Germany is barely a player. This does not bode well for its future.

Of course, we all use digital services on a daily basis, googling, keeping up with our friends on Facebook and Instagram, streaming movies on Netflix, and shopping on Amazon and eBay. However, with rare exceptions, nearly all these services are provided by US companies that have hugely benefited from driving these transformations.

When it comes to the digital future, Germany seems to have fallen into a deep slumber – and that’s a problem because the shift to digital- and software-driven business models is accelerating, now reaching products that have traditionally been viewed as existing only in the physical world.

Let’s take cars as an example. Of course Germany’s reputation for making some of the best automobiles in the world is well deserved. But what if the experience of driving and owning an automobile becomes increasingly defined by software? What if the auto of the future is a smartphone with wheels attached? The speed at which the modern smartphone has edged out earlier models looms large.

Beyond the current generation of software, there is an even bigger change ahead, which is the emergence of Artificial Intelligence as a viable tool. The applicability of AI is extremely broad and ranges from enhancing the functionality of products and services to increasing the speed of innovation and decision-making in a way that simply has not been possible in the past.

For example, the ability to develop Covid-19 vaccines in a few months instead of many years was made possible with AI technologies. Imagine applying the same pace of innovation to other industries. Clearly, companies that employ AI technologies have a competitive advantage.
Andreas von Bechtolsheim

And how is the AI race going? In the US, Google, Microsoft, Facebook, Apple, and Amazon lead the way, followed by hundreds of startups that in recent years have raised more than $50bn in venture capital. In Europe, development of and investment in AI is just a fraction of this.

So what needs to be done? German industry must urgently catch up in both software and AI. Software and AI is the future of value creation in most industries and enterprises of all sizes – small, medium, and large. Startups can’t solve this innovation problem by themselves.

Most importantly, this is an area where Germany can learn from the US. While the United States occupies pole position in the software and AI race, it is critical for Germany to be among those at the front of the pack. Germany cannot afford to miss the future in software.
Forging the New West

Moving forward, Europe and North America need to pursue a strong alliance – as equal, trusting partners. Promising responses to the complex challenges of the 21st century, especially to the systemic rival China, can only be transatlantic.

I like short sentences. And the best short sentence I know is attributed to Thomas Mann. “Democracy will win!” is what he said during World War II – and history would bear out his claim, twice.

The short 20th century, from 1917 to 1990/91, ended with a second victory of liberal democracy and the market economy – this time, over Communist dictatorship and the centrally planned economy. Yet the fall of the Berlin Wall and the end of the bipolar order would not, as some predicted, bring eternal political and economic bliss.

On the contrary, many crises ensued: the terrorist acts of September 11, 2001, the financial and Eurozone debt crisis, and now the coronavirus pandemic, to mention those with the greatest global impact. Of course, many people in Europe and North America are comparatively well off, and things could have been much worse. Yet, thirty years after this landmark moment (and not only for Germany), we see the West and Western values under pressure from within and without. China is growing more powerful by the day, and some are speaking of a Chinese century. The world, in short, has grown ever more complex and harder to grasp compared to the days of the Cold War.

In response to how, against this backdrop, we can preserve, expand, and shore up freedom and democracy, along with security and prosperity, I believe there is only one answer: Europe and North America must join forces. In a world where seminal issues such as climate change, the digital transformation, trade, energy, geopolitics,
security, migration, and public health intersect more closely than ever before, we cannot keep marching to the beat of the same old drum, let alone hark back to the supposed good old days.

With Joe Biden’s election, a small window of opportunity has opened. Instead of thinking in ideological terms, his administration is primarily driven by knowledge. The United States, Canada, and Europe have much in common and share many interests. What we need is a daring leap that will take the transatlantic alliance into the future. We must act now to root our alliance in a newer and even more fertile soil for this century. We must forge the New West. Germany should be both a leading and a partner nation within the EU for this effort. I will outline its four main aspects.

A TRANSATLANTIC STRATEGY ON CHINA

China is an economically successful dictatorship that we have for too long underestimated. Its Communist Party and Xi Jinping, China’s president for life, have made the giant leap forward that the party’s founder Mao Zedong envisaged. Over the past decades, China has become a technological and economic superpower; it is rapidly building up its military and taking increasingly assertive geopolitical action – for example, in the South China Sea. Xi wants to make his country number one in the world, especially in the realm of technology. The Chinese slumbered through the so-called industrial revolution and subsequently experienced decades of economic decline; now the “Middle Kingdom” wants to play a global leader, no matter the cost.

A look inside the country reveals what a world where Beijing exerts increasing influence would look like: the Uighurs face oppression. The Chinese populace is close to being fully digitally monitored. And democracy in Hong Kong is being abolished without much fanfare – in clear violation of the agreement with the United Kingdom. When it comes to foreign policy, Beijing is openly and more and more provocatively calling into question the liberal international order. In the struggle against the coronavirus pandemic, Beijing believes its approach to be far superior to the West’s.

The European Union has rightly defined China as a systemic rival. Beijing has launched a number of attempts to influence the EU and individual member states, to force them into dependence and neutralize them, for example through its Belt and Road Initiative. Another cause for worry is Beijing’s intensive investments in western Balkan countries. China has wide-ranging plans – and is pursuing them tirelessly.
For us, this means that the West must develop and put into practice a transatlantic strategy for China. The EU–US–China triangle must not be equilateral, as a neutrality on paper would be naive and dangerous. It should rather be an isosceles, whereby Europe and America align themselves as closely as possible. Trust and the ability to cooperate are strategic advantages of democracies, not only in the West. We should wield these advantages to much greater effect. Together, Western countries are far better positioned than China – in terms of economic output alone. Beijing, on the other hand, counts on few natural allies. It feels constrained by rivals such as Japan, South Korea, and India. The regime also has little drawing power on most nations or people, but instead is quite unattractive.

However, economic interdependencies with Beijing complicate the picture. Complete decoupling is unrealistic in an age of advanced globalization, the tech revolution, and climate change. When setting out its strategy, the West should instead keep in mind the words of US Secretary of State Antony Blinken: “The US approach to China will be competitive when it should be, collaborative when it can be, and adversarial when it must be.”

**TRADE: A LONG-TERM PERSPECTIVE TO PROTECT PROSPERITY AND THE CLIMATE**

The key to economic exchange with China is the World Trade Organization. Currently, the WTO system is being misused by the state capitalism of the Communist Party. In future, there must be severe consequences for these actions. We must reform the WTO, to push China into genuine reciprocity and into granting full and fair access to its markets. In other words, Beijing must play by the international economic rulebook, and adhere to international standards.

In parallel, we must solve the trade problems that exist within the Western alliance. Unilateral punitive tariffs imposed by the US and extraterritorial sanctions should be done away with as soon as possible. We are partners, not opponents that force one another into compliance through punitive tariffs. However, Germany and Europe must also be flexible and willing to compromise, and they need to extend a hand to Washington.

Ideally, there should be fresh negotiations toward an ambitious free trade agreement with robust standards between the EU and the United States. I am certain that such an agreement would help generate prosperity and jobs on both sides of the Atlantic, and would also make our respective national economies more resilient. This would align with Biden’s idea of a “foreign policy for the middle class”. One thing we learned
from the failure of the Transatlantic Trade and Investment Partnership (TTIP) talks is that it makes little sense to negotiate such a comprehensive agreement from a take-it-or-leave-it stance. To garner more public support for these efforts, it would be advisable to negotiate the individual chapters of the overall agreement separately – and then to ensure they enter swiftly into force. By choosing to set foot on this path, we embark on a transatlantic century. A century of Europe and North America cooperating closely and faithfully, trusted partners on an equal footing.

When it comes to Ottawa, we’re on the right track. Parts of the Comprehensive Economic and Trade Agreement (CETA) negotiated between the EU and Canada have provisionally gone into effect. Initial positive impacts are already being felt, as the volume of trade has been rising markedly. Hopefully, the entire agreement will be ratified as quickly as possible.

And when addressing climate change as an issue that affects us all, close economic links between Europe and North America are crucial. First, sustainable and ambitious environmental standards could be agreed for a large economic area – which in turn would serve as a blueprint for other regions of the world. Second, free trade between our nations promotes the rapid and efficient transfer of innovation, knowledge, and investment from one continent to the other, for example in new technologies regarding the use of hydrogen as an energy source.

THE DIGITAL TRANSFORMATION: THE KEY TO THE FUTURE
In Germany and in Europe, when talk turns to “tech”, data privacy issues are often brought up. Although that’s understandable, there are other aspects to consider. To be blunt, we need to rouse ourselves from our digital slumber and join the drivers of innovation. Otherwise, we will encounter difficult economic and security policy problems ahead.

Looking at future developments, particularly in artificial intelligence and bioengineering, we can see that the current activities of Beijing and Moscow in the areas of cyber warfare and propaganda are child’s play compared to what is predicted to be the state of the art in thirty or fifty years. The job market will surely see upheavals due to the tech revolution. There are promising initiatives, such as the European cloud project GAIA-X, but these will not be enough. Right now, Germany and Europe still
have the time and in particular the resources to turn this tanker around. But if we
want to be players in the digital Champions League – and we should – then we need
to seriously up our game.

We hold the key to the transatlantic partnership. We must forge trusted and endur-
ing networks with Silicon Valley companies, enter into ambitious cooperation with
universities and corporations in North America, establish a flexible and generous gov-
ernment fund for startups in Germany, and radically reduce red tape and over-reg-
ulation to create new incentives for innovation. No area, by the way, is better suited
for younger generations to write the next chapters of our transatlantic story. Nothing
would please me more than to see large-scale, ground-breaking and committed digi-
tal projects that set their sights on the future.

SECURITY: RESPONSIBILITY AND BURDEN-SHARING
Europe needs a boost not only in the field of digital transformation but also in the
area of security policy. Emmanuel Macron has said that “If Europe cannot see itself as
global power, then it will disappear.” I am not a friend of Europe seeking autonomy,
and on security issues, too, our thoughts and actions must be shaped by transatlanti-
cism. But with his statement, the French president has touched a nerve. The EU must
finally learn to think strategically across the board so that, when necessary, it can take
action and restore order – including on the edges of our continent.

Recent years have shown that the United States will not take care of business for us,
as they did in the 1990s. Along our periphery, the situation has become more unstable
since the illegal annexation of Crimea by Russia and the wars in Syria and Libya. So
far, Europe has found few answers, while Russia is increasingly assertive on the geo-
political stage.

Germany must share some of the blame. We must assume responsibility. We owe it to
ourselves and our allies. Moreover, we should strive to meet NATO’s target of two per-
cent of GDP spent on defense as soon as possible. This will involve more committed
and effective investment in enhancing our cyber capabilities. We should also not sow
doubts around sharing of nuclear capabilities, and we must work toward acquiring
more modern technologies. Of course, the German Bundeswehr needs combat-ready
drones, to protect our own forces as well as those of our allies. That doesn’t mean
we’ll use them. But Germany will lose more and more credibility among its friends
and rivals the longer we delay.
Part of shouldering responsibilities is sharing burdens. In the summer of 2021, Germany will send a frigate to Asia that will also journey through the South China Sea. This will be only the beginning. We must show our partners in North America and our allies in the Indo-Pacific that we stand firm by their side, always prepared to uphold and defend the tenets of free trade and international law.

**IN CONCLUSION**

By choosing to set foot on this path, we embark on a transatlantic century. A century of Europe and North America cooperating closely and faithfully, trusted partners on an equal footing. A century of Europe and North America spearheading the influence of Western values worldwide. A century that will witness Europe and North America continuing to bear the torch of Thomas Mann’s inspiring dictum: “Democracy will win!”
By engaging in intensive cooperation in the sphere of trade policy, the US and Europe could more rapidly recover from the economic effects of the coronavirus pandemic. We should view each other not as competitors, but rather as partners, in order to create jobs on both sides of the Atlantic.

During the Obama administration, the European Union and the United States came extremely close to achieving a historic trade deal with the Transatlantic Trade and Investment Partnership (TTIP). Studies have shown that TTIP would have boosted GDP and national income, raised wages for both high- and low-skilled workers, and significantly increased exports on both sides of the Atlantic. A variety of factors prevented the deal from happening, including “irreconcilable” differences on environmental issues, food standards, and other matters.

The Trump administration chose not to revive the derailed TTIP negotiations, and instead took a more aggressive stance toward Europe on trade as part of its “America First” policy. In 2018, the administration imposed new tariffs – 25 percent on steel and 10 percent on aluminum – on products from the European Union, and repeatedly threatened to impose a 25 percent tariff on European automobiles, thereby triggering a downward spiral in EU-US trade relations.
With the election of Joe Biden, a window of opportunity now exists to restart constructive dialogue on improving European–US trade that can strengthen relations and set a path to closer cooperation in the future. Even before assuming his new role as Secretary of State, Antony Blinken said that one of the first steps to be taken by the Biden administration would be to “end the artificial trade war” between Europe and the United States. In early March, we started seeing signs of this intent in action. President Biden’s first call with Ursula von der Leyen, the President of the European Commission, led to the suspension of tariffs imposed during the Trump presidency over aircraft subsidies – a 17-year dispute that dates back to the Bush administration. The tariffs have been put on hold for four months while both sides try to negotiate a deal that will include durable solutions for the aircraft sector.

This brief suspension is helpful but will not resolve the underlying issues that led to the WTO decisions relating to subsidies for Boeing and Airbus. More time will be needed to resolve these difficulties. Nevertheless, the pause signals a lessening of tensions and a promising foundation for addressing other issues of common concern. President Biden’s US Trade Representative, Katherine Tai, has said she will push to negotiate resolutions to trade disputes with our allies while also focusing on enforcement to ensure that current agreements are upheld and disputes do not become entrenched sources of tension between trading partners. Now is the time to move quickly while the political climate is favorable and as our countries seek a robust recovery from the pandemic. The transatlantic economy remains the most important in the world, comprising a third of the world’s GDP, $6.2 trillion in commercial sales, 61 percent of inward foreign direct investment (FDI) and 64 percent of outward FDI, as well as 27 percent of global exports and 32 percent of world imports. Currently, the US economy is firing on all cylinders, with a GDP growth of 6–7 percent forecast for this year, while the Eurozone is still suffering. Greater cooperation could help the Atlantic community build back faster together.

We need to explore new opportunities for greater transatlantic cooperation, such as in technology and the digital economy.
included a number of proposals: to establish a new EU–US Trade and Technology Council; to examine the responsibility of online platforms and big tech; to cooperate on fair taxation and market distortions; and to define a common approach to critical technologies including artificial intelligence, data flows, internet governance, and cooperation on regulations and standards. In terms of wireless broadband and 5G, greater collaboration between European and American companies should be promoted to expand the development and expansion of these technologies. Overall, it would be a mistake for the EU to hamstring US tech companies as a way of allowing European companies to play catch-up. Instead, more cooperation is needed. Progress on all these issues would strengthen economies on both sides of the Atlantic and help confront the growing influence and potential dominance of China in these areas.

Another opportunity for action could build on the European Green Deal’s commitment to sustainability in the context of EU trade policy, with a promise to continue prioritizing social and environmental sustainability in its trade agreements. Together with the Biden administration’s renewed commitment to climate change, efforts should be undertaken to promote EU–US economic collaboration on clean technologies, on the transition to renewable energies and electric cars, and on sustainable financial instruments.

The EU and the US should also collaborate on reforming the World Trade Organization, safeguarding critical technologies, and reaching consensus on new regulations and standards. Crucial to this will be a restoration of the WTO’s appellate body (a move blocked by the Trump administration), determining how to make members’ trade practices more transparent, and exploring how to expand “plurilateral” agreements, so that negotiating new deals becomes easier by not needing to get every WTO member on board. The Biden administration is also eager to reboot the WTO, particularly in collaboration with the EU, as a vehicle for working more effectively with and/or against China.

The future may not see a comprehensive new trade deal similar to TTIP, but perhaps there will be opportunities for more limited, targeted agreements to further strengthen the economic ties that have bound Europe and the US together over the past forty years – and that will continue to do so. The TTIP negotiations have shown that zero tariffs and regulatory convergence on automobiles is achievable. More broadly, perhaps a zero-tariff agreement could be achieved, and progress made on regulatory frameworks and standards. As we address the issues mentioned in this
contribution, governments must be committed to engaging in dialogue with their populace, the business community, parliamentarians and Congress members to build wide-ranging support.

Communicating the benefits of US–EU trade to American workers and European consumers will be essential. A trade agreement with Europe, with its high standards and wages, is unlikely to result in the kind of job losses American workers have suffered as a result of other trade agreements. If we are to negotiate an agreement that will be approved by our respective legislatures, Europeans should rethink their protectionist stance toward agriculture, and the US should promote the success that European firms with US-based manufacturing, such as Siemens, have had in government procurement, in spite of state-led and local “buy American” provisions.

Rather than viewing each other as competitors, we should work together as partners to boost jobs and growth on both sides of the Atlantic, to promote financial stability, and ultimately to strengthen our shared ability to confront global challenges and to promote global security, development, and prosperity.
Rather than merely preserve the Atlantic alliance, it’s in our mutual interest to strengthen it. Only on this foundation can we jointly address shifts in global power and threats.

In 1981, when the position of Transatlantic Coordinator was created, the Federal Republic of Germany was in the initial throes of a heated rearmament debate. Global political tensions were high, and ultimately would peak with the imposition of martial law in Poland. Against this uneasy backdrop, one faction of the leading party in the ruling coalition joined forces with the burgeoning peace movement and took a stance against the United States and the transatlantic alliance. At the same time, the European integration process was stagnating. It took a refocusing of attention on the core aims of European and transatlantic policy under the clear leadership of Helmut Kohl to generate new momentum on both sides of the Atlantic. European integration and transatlantic cooperation became two sides of the same coin – and the years from the early 1980s to the early 1990s became a European and transatlantic decade of modernization. This symbiosis would culminate in German unification.

The process began with the resolute choice to remain tied to the West. It was the key lesson drawn from the horrors of the 20th century. Thanks to US support for European integration, transatlantic cooperation and European integration were never mutually exclusive; instead, they formed the two pillars that underpinned the Federal Republic of Germany’s ties to the West. From the beginning, support for these pillars came not only from heads of state and government. Rather, transatlantic ties have been upheld by an extensive network at the level of civil society.
The Transatlantic Coordinator plays a key role in this civil-society network, by providing stability in the ebb and flow of day-to-day politics. This keeps differences in political opinion from burdening relations at the level of civil society and harnesses the diversity of people-to-people contacts, creating new political momentum.

GLOBAL POWER SHIFTS
Today, we face tremendous challenges from within and without, whose effects are being felt by the European Union and are testing our transatlantic friendship. We are finding that in a world where power is diffused across the globe, the possession of military, economic, and political power no longer guarantees success in the pursuit of one’s goals. This state of affairs could be called a “global disorder”. Transatlantic ties have not been spared by this development. On the contrary, they are being fundamentally transformed.

The actual break with the past, however, occurred more than thirty years ago. In 1989 and 1990, the ground rules of the international order changed. In the bipolar world, every transatlantic crisis could essentially be resolved because the external threat outweighed any disputes the partners may have had with one another. For this same reason, transatlantic power imbalances were not only irrelevant, but possibly even intentional. With the US’s security guarantees, free Europe became increasingly politically stable and economically developed.

With the end of the Cold War came greater foreign policy leeway, for both the United States and the Europeans. All of a sudden, power asymmetries began to play a role in the transatlantic relationship. Furthermore, new focal points of political and economic power arose in Asia, and this presented the transatlantic partners with fresh challenges. New global threats, such as climate change and international terrorism, can no longer be framed through outdated concepts of foreign and security policy. They call for new strategies.

FORTIFYING THE TRANSATLANTIC PARTNERSHIP – THROUGH A STRONG EUROPE
Regardless of these developments – or, rather, because of them – our transatlantic partnership persists. Because the transatlantic alliance is built on common values, on political, economic, and cultural interdependencies, and on institutional ties. We should not only safeguard but also strengthen these ties – as we have a mutual vested interest in them. They form the basis for how we jointly deal with global shifts in power and threats.
First, and especially in view of the outcome of the recent US presidential election, we must make greater use of existing forums for transatlantic exchange, as well as create new ones. In both people-to-people and political relations, a partnership needs shared spaces of encounter. Only by engaging in conversation and constantly striving to put forward better arguments and finding the right solutions can we create a solid, long-term basis for transatlantic partnership and action. Naturally, we will argue from time to time. But we did that during the days of the East–West confrontation as well. What fundamentally matters is that freedom, democracy, and the rule of law are not merely political maxims. They are, instead, crucial norms for the functioning of states and societies, as they shape the actions of citizens, businesses, and governments – not only in domestic but also in foreign policy.

Second, as Europeans, we must go beyond merely presenting arguments based on our values and interests. We must also prove that we are capable of action. Only then will we also be a strong partner for our transatlantic friends, one that can stand by their side as we jointly confront the “global disorder” and compete with autocratic powers. For many years, paying lip service to a rules-based order and being part of the transatlantic “convoy” was sufficient.

Since World War II, despite setbacks and challenges, this rules-based order has bestowed a period of peace and ever growing prosperity on the world. To maintain this order, we must strengthen the European Union. Following the UK’s departure from the EU – the withdrawal of a country that has long functioned as a linguistic and cultural catalyst – this task assumed even greater prominence. As Europeans, we must be capable of action, be seen as a serious partner, and be an independent actor. Because when we are able to act we widen our policy options. Also, in this way, burden sharing becomes the best option rather than a last recourse. In the process, we will help make Europe a more attractive partner for Washington.

This attractiveness comes from our willingness and ability to act, our sense of solidarity, and our efforts to modernize. For this, we must address existing innovation gaps, invest in a digital, climate-neutral, resilient, and competitive Europe, not shy away from public–private partnerships, and become more efficient and agile overall. In so doing, we will not just be setting standards before others set those standards for us; we will also be defining benchmarks for others to measure themselves against.
Presidents Dwight D. Eisenhower and Ronald Reagan encouraged Europe to move toward being capable of action and more self-assertive when they spoke of a third great “power mass” and a “more genuinely European Europe”. And, of course, this has a magnetic effect on potential multilateral partners. Partnership, and not just allegiance, must be our aspiration.

Strengthening Europe, however, does not mean questioning the multifaceted character of the European Union; its nations and regions; its diversity of languages and religious faiths; the experiences of various peoples, social groups and individuals; and the differences between north and south, west and east. The regions play an important role as regulatory and cross-border actors. If the supranational and national levels are a kind of switchboard, then the regions are the cross-connections in the European network that make possible and necessitate international cooperation on all levels. The subnational level also plays a key role in transatlantic relations. Federalism is something Germany and the United States of America have in common – in the constitutional, political, and social spheres. That’s why we must expand relations between our federal states, provinces, and regions on both sides of the Atlantic, in the realms of politics, business, academia, and culture. Because mutual understanding is the ground on which communication thrives.

Of course, we need the supranational level so that the European Union can wield its influence on the global political stage. In some policy areas, including international trade, we have been doing this successfully for many years. In others, such as the common foreign, security, and defense policy, or regarding climate policy, we have launched important initiatives but can achieve so much more.

“Today, we face tremendous challenges from within and without, whose effects are being felt by the European Union and are testing our transatlantic friendship.”
TRADE POLICY AS A CATALYST FOR EUROPEAN–TRANSATLANTIC RELATIONS

Trade policy is the European Union’s oldest, and in many ways most successful, instrument for shaping its external relations. In this sphere, we are on an equal footing with the United States because, many decades ago, we grasped the possibility, thanks to our cooperation with the United States, to help shape a global economic and trade order founded on liberal and multilateral principles. “They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them,” the parties to the North Atlantic Treaty declared as their common goal. We should remain committed to this goal as we work to strengthen the European healthcare sector, for example, and make Europe more resilient to crises and less reliant on global supply chains.

The EU’s new trade agreements underscore the commitment to free trade. Our strong position in terms of economic policy with respect to the United States shows how partnerships can include occasional disputes. This is all the more reason for us to remain engaged in forging a common understanding about what we want the economy of the future to look like – especially when it comes to the digital revolution – and for us to agree on common standards for new technologies. All this would not only strengthen transatlantic cohesion, but would also benefit our societies and enhance our efforts to modernize Europe. Finally, it would send a clear, and possibly the most important, signal to the People’s Republic of China – because there is transatlantic agreement that China is not only a negotiation partner and competitor but also a rival. Only through transatlantic efforts will we continue to ensure that global trade and new technologies bear the stamp of our liberal system, norms, and standards. Instead of a comprehensive trade deal, this will require a multitude of related steps.

SECURITY POLICY: UPHOLDING THE ALLIANCE AND REMAINING A RELIABLE PARTNER

In its transatlantic relations, the European Union is strong on trade policy. However, it falls short on security and defense policy, judging by the targets it has set for itself and in light of US expectations. The call for a fairer share of the burden is as old as the alliance – and touches a raw nerve. Those who rely on partnerships must be reliable partners themselves. This has nothing to do with militarization. Over a decade ago, all NATO member countries pledged to spend two percent of their respective GDP on defense. This is not just a NATO target – in the context of PESCO, it is also a European target. And that’s how we should frame this issue. Moreover, our ability to defend ourselves and uphold the alliance is in the vested interest of Germany and at the same time helps defend our values, principles, and future.
The challenges we face in the coming years are more likely to increase than abate. Geographically, there will be a focus on an arc of problems that stretches from northern Africa to the Middle East and to Central Asia. In our policy on Russia, together with the US we can recommit to the formula set out more than fifty years ago in the Harmel Report, which defined a form of coexistence through deterrence and détente, i.e., maintaining adequate defence while promoting political détente. Aside from this, the United States will devote increasing attention to the Pacific region – while in Europe, unlike the US, we will have to address in particular the impact and aftermath of wars, civil wars, and failing states on our doorstep. Ten years after the revolutions in northern Africa and the Middle East, we are still insufficiently prepared to do so.

As Europeans, as Americans, and when and wherever possible as transatlantic partners, the challenges faced by our counterpart do indeed concern us, as they have for the past forty years. This shared history enables us to pose questions relating to the past, in order to learn from mistakes that were made – and especially with a view to once again, in the years ahead, creating a decade of European and transatlantic modernization. In this way, we can significantly contribute to forging a lasting and liberal global order.
Broader and Deeper: Transatlantic Responsibilities in the 21st Century

The Western community of values has a shared responsibility to think more creatively across latitudes. We should take a more expansive and long term view of transatlantic relations.

Transatlantic partners are used to framing policies in terms of challenges and opportunities. Much less tends to be said about responsibility. But the coming years are likely to cast questions of shared responsibility – and affinity – in sharper relief. This implies greater attention to values alongside practical interest. It also implies thinking in terms of longer time horizons and a more expansive and creative view of transatlantic relations. The responsibilities will be local, regional and global.

First, our societies expect to be protected against evident risks, both old and new. The experience of the Covid-19 pandemic underscores the vulnerability of Europe and North America to unconventional as well as traditional risks. Even before the pandemic, the idea of nations and institutions that “protect” was already part of the political discourse on both sides of the Atlantic. In the post-pandemic environment, citizens will rightly expect more of government in terms of security and effective governance. This extends to the security of economies and the security of privacy and the digital space.
Europe and North America will also need to confront threats arising from more vigorous geopolitical competition with Russia and China. Deterrence and defence remain an unavoidable responsibility, but there is a risk that national perspectives on these challenges will diverge in ways that undermine collective security. In this setting, leaderships will have a responsibility not only to acknowledge but to champion multilateral institutions, including core security institutions such as NATO. As recent experience underscores, the risk of the renationalization of policies is very real, even for core members of the transatlantic alliance. If allies are heading into an era of more dangerous security competition in Europe and Asia, we can anticipate more pointed debates about uncomfortable topics, from nuclear strategy to arms control. In this context, reassurance will be as important as deterrence. Bolstering the role of NATO as a political institution can help with this task.

Second, transatlantic partners have a responsibility to address pressing global challenges in a concerted fashion. Climate change is likely to be the animating global issue for US–EU relations over the longer term. The Biden administration has already signaled a major change of course on this front with a return to the Paris Climate Accord. John Kerry’s March 2021 visit to Brussels to meet EU climate policy counterparts was among the first high-level in-person transatlantic meetings for the new administration. Cooperation around green economic recovery and a post-carbon future will be central to the future of transatlantic relations and will influence policies in other critical areas, from trade to infrastructure. This is one of the points in which international policy has a direct connection to the concerns of citizens. For the next generation in particular, cooperation on climate will be an increasingly important test for the worth of the transatlantic relationship.

The US and Europe will also need a concerted approach to the long-term challenge of the rise of China and developments in Asia. The challenge is multifaceted, encompassing trade and technology, ideology and security. Aspects of this competition will inevitably be seen differently from the US and Europe. The US is a two-ocean power and the “Indo-Pacific” is already a primary strategic focus for Washington and others. To rephrase a well-used formula, we could be nearing the end of a hundred-year American pivot to Europe. This shift will have significant implications for...
transatlantic burden-sharing. But it comes at a time when the European security environment itself is unstable and characterized by significant risks in the east and south. Key institutions will need to take account of this geopolitical evolution. NATO may not take on new security roles in Asia, but it will surely need to address developments in the region as a political imperative for the alliance.

Third, we need to take a more comprehensive view of transatlantic partnership. Transatlantic relations are not just about the Washington–Brussels–Berlin axis. The transatlantic community has a responsibility to think more creatively across latitudes. Many of the most pressing global challenges, from public health to the environment and from migration to the future of trade and finance, cannot be tackled effectively without cooperation with the global south. Even in strictly transatlantic terms, there is a need to work more closely with Atlantic societies in Africa, Latin America and the Caribbean. The lessons from the pandemic are very clear about the value of a broader geographic approach, especially in confronting issues at the confluence of domestic and international concerns. We have a responsibility to update our mental maps of transatlantic relations and bring new actors into closer partnership with Europe, North America and Euro-Atlantic institutions.

Finally, the US and Europe have a responsibility to avoid complacency. Populists and nationalists on both sides of the Atlantic have taken aim at elites, their institutions and their projects. This has had a corrosive effect on attitudes toward alliances, international agreements, and not least, objective debate about foreign policy. Leaders will face the task of balancing the need to connect foreign policy to the everyday concerns of citizens, without sliding into sovereignty- and identity-driven strategies. Pressing economic and health concerns make this a more difficult balance to achieve. But it is critical to the durability of the transatlantic relationship. To thrive in the coming years, transatlantic relations need to become both broader and deeper – broader in engaging with other actors in the Atlantic space, and deeper in connecting with citizens who may not otherwise be aware of the centrality to their own interests of relations across the Atlantic. This is a human as well as a geopolitical project. Going beyond the conventional “challenges and opportunities” approach, those who care about transatlantic relations need to underscore the importance of Atlantic affinity – and a shared sense of global responsibility.
The Transatlantic Security Partnership – and Responsibility for the West

Shared values create close bonds – and any threat to these values is the best reason to stand shoulder to shoulder. Why the transatlantic link has once again become crucial to our destinies.

Assuming the West collapsed – what would remain? Identifying the core aspect of “the West” is not just a theoretical question. It focuses our attention on what must always lie at the heart of our policymaking, no matter how hectic day-to-day political affairs may be.

What’s most enduring about the West is the timeless premise of the two “Atlantic revolutions” – that of 1776 in America and of 1789 in France – namely, the belief that, for those who rule, every individual’s liberty must be inviolable; that citizens themselves are to decide by whom they should be governed; that there shall be no arbitrary legislation or jurisprudence; and that people cannot simply be dispossessed of property they have acquired through their own efforts.

To this day, these values, in a more refined and developed form, are at the heart of the liberal order in which we live and that we are duty-bound to protect and fortify. They gave rise to the Universal Declaration of Human Rights of 1948. They form the core of what the United Nations aspires to, and of its legitimacy. And, last but not least, they are the bedrock of Germany’s Basic Law.
Of course these values also undergird NATO, our north Atlantic alliance. Since 1949, NATO has been charged with the military defense of liberal countries in Europe and North America. It thereby also guarantees the long-term protection of the values and ideas of the Atlantic heritage.

The traditions and cultures of NATO member countries are manifold. Even so, allies maintain a strong sense of community – because shared values create close bonds, and any threat to these values is the best reason to stand shoulder to shoulder.

After 1990, many believed these threats were gone for good. But today, our values are threatened once again – and some say they are in greater danger than ever.

Europe will have to make enormous strides to keep pace technologically, economically, and indeed militarily.

Comparing today with the pre-1990 era, more or less the same dividing lines run between parties embroiled in the debate over strategic threats and the discourse around global values. This is a worrying development, for ideological conflicts are long-lived and give rise to intense disputes. However, an honest observer of the world’s strategic balance will see that the most open enemies of universal, liberal values are precisely those countries that pose the most aggressive threat to (not only) the West and that see themselves locked in a systemic rivalry with this bloc.

China – which is geopolitically ambitious and has both the power and desire to dominate – gives short shrift to open society, human rights, and democracy in action. Beijing does not seek fair, interdependent supply chains; it wants to gain control over markets and increase its political leverage in, and over, other nations. Also in Europe – including here in Germany.

Russia’s rulers openly define their country in opposition to the West; they are pursuing massive rearmament and exploiting regions where democracy is vulnerable to undermine and disparage it. Russia’s growing arsenal of missiles along NATO’s eastern periphery is already severely disturbing the current strategic balance in Europe.

Islamist terrorism in the Middle East and in Africa remains a serious threat, as does Iran’s pursuit of nuclear weapons and its destabilizing role in the region. Dictatorships around the world live in a permanent state of war with their own populations.
They thereby create misery, civil war, and displacement. The case of Syria demonstrates how conflicts that appear to be distant can have a direct impact here at home.

These dangers are compounded by innovative technologies that engender new risks, for example in global data networks, for controlling critical infrastructure, and in the form of cutting-edge, highly effective weapons systems.

For us Germans and Europeans, this delicate global situation could not be more relevant – politically, economically, and militarily.

The key point of reference for how we deal with all these challenges remains the transatlantic partnership. We in Europe cannot remain free and secure without the United States of America. And the United States cannot easily prevail in competition against China without the large and influential economic bloc of the European Union. In contrast to what was commonly believed for nearly thirty years, the transatlantic link has once again become crucial to our destinies.

Yet the conditions framing this partnership have changed. In the global struggle for order and hegemony, Europe is an important, but no longer the most important, arena. Today, new systemic rivalry is taking place in a world undergoing extensive globalization. Networks that span the globe make identifying clear-cut, opposing camps impossible. Conflicts are becoming multi-layered.

Europe will have to make enormous strides to keep pace technologically, economically, and indeed militarily. Relations with the United States will be determined by this aspect, as well. A strong ally is a useful ally – that is also true in NATO, no matter how much one focuses on values. Of course, Europe’s strength will also hinge on its future relationship with China. Can the “old world” assert itself against a rival that is seeking to include it in its sphere of influence?

Lastly, we must not lose sight of the fact that NATO is not immune to disagreements over values, and that this can pose a threat to cohesion within the alliance.

Some partners rely too heavily on the assumption that their strategic significance allows them to stray from NATO’s core values as they see fit. This weakens solidarity. China and Russia realized this long ago and try to fan the flames of such disputes whenever and wherever they can.
Especially here, it becomes clear that NATO’s strength originates not only in the shared security interests of its member countries. With no common set of values, it grows weaker – and becomes vulnerable.

Here in Germany, transatlantic solidarity is embedded deep in our political DNA. Along with European integration, NATO and our partnership with the United States are fundamental to our policymaking and strategic thinking. Our country’s history shows that our European and Atlantic identities are not mutually exclusive, and that we only stand to lose if one is set against the other.

Moreover, the shock of several years of the Trump administration has shown that our intra-European ties are weakened when the transatlantic bond lacks strength. That is what happens when partnerships built on values are endangered; you cannot take something away on one side without upsetting the balance on the other.

Europe’s security is in Europe’s hands – as it is in the hands of the United States. In much the same way, both share responsibility for protecting, strengthening, and defending their liberal values.

The West will not collapse, as has been suggested, if it succeeds in harnessing the structural advantages of our open societies. We are being put to a hard test, one we will pass only by standing united. It is good to know that the Federal Government Coordinator of Transatlantic Cooperation has been fighting this good fight for forty years. May he – or she – continue to make headway over the next forty years.
Rising to the Challenge: Moving Beyond Westlessness

Liberal democracy is coming under pressure around the world, from within and without. We have arrived at a crossroads: we must choose between an increasingly authoritarian world and the path to democracy. At this juncture, Europe must not wait on the United States; instead, it must pro actively invest in the renewal of transatlantic relations.

US President Joe Biden addressed head-on the core question of “how much of the West is still needed in this world” at the Munich Security Conference (MSC) Special Edition in February 2021. For Biden it was crystal clear. We are at an “inflection point” between an ever more authoritarian world and a democratic pathway. According to a recent report from the US think tank Freedom House 2020 marked the fifteenth year in a row in which political rights and civil liberties have declined. Less than 20 percent of the world’s population now lives in a free country, the smallest proportion since 1995. To secure democracy, it is, as Biden put it, “our galvanizing mission” to show that systems grounded in democratic rules and values can still deliver in a changed world. Highlighting that democracy is under threat across the globe, including in Europe and the United States, he strongly urged for democratic renewal – at home and abroad.

This rising – internal and external – pressure on the world’s open societies and the changing role of “the West” was a development the MSC sought to capture with the term “Westlessness” as a running theme of the MSC 2020. According to this term, not only has the world become less Western, but the West itself is becoming less Western, too.
UNDER A MAGNIFYING GLASS

Symptoms of this development are manifold: a changing international role of the US and strained transatlantic relations, frail global cooperation, and intensified great-power competition, a troubled EU and rising illiberal and nationalist forces are some of them. And these trends have only been exacerbated by the coronavirus pandemic. Three aspects are particularly notable:

1. **The European project under pressure**
   In Europe, Covid has become yet another litmus test for already strained European cohesion. At its outbreak, rather than forging a common response, EU member states turned inwards. Travel bans and export restrictions for medical supplies were only lifted after immense pressure. And while the EU recovery package was met with plaudits, the Commission’s vaccination strategy has been largely perceived as “too little, too slow”.

2. **Lack of joint transatlantic leadership, exploited by other actors**
   As both Europe and the United States stopped the export of critical medical supplies and as a common response to the pandemic remained absent, the Covid-19 crisis further deepened rifts in the transatlantic relationship. Over a year after the pandemic’s onset, rather than developing a joint approach, as first steps the US, UK, and EU were turning to mutual vaccine export controls. The implications of this failure by the transatlantic partners to act jointly and shape the global agenda became clear when other countries filled the vacuum. China and Russia have attempted to take center stage and win “the battle of narratives”. Both countries are exploiting the crisis for so-called “mask diplomacy” while spreading disinformation about the Western crisis response.

3. **Intensified great-power competition and weak global cooperation**
   While tensions between Washington and Beijing were heating up before, they further intensified as the pandemic unfolded. The shadows of this increasingly fierce great-power competition are long. In contrast to the 2008 financial crisis when the international community succeeded in finding a strong common response, this time frictions between China and America have largely blocked joint action by the G7 and G20, and significantly weakened the work of multilateral bodies like the World Health Organization.

   Moreover, globally the trend towards decoupling has gained momentum. Countries’ increasing retreat into their national borders and a waning of international cooperation has led to an intensified zero-sum game for all parties.
BEYOND “WESTLESSNESS”: THE CASE FOR THE WEST “RESTORED”

Now the question arises: what to do about it? The pandemic also offers the chance for liberal democracies to demonstrate that their systems can deliver. Thereby, as Western countries possess, as we wrote in last year’s Munich Security Report, “at least in theory [...] the necessary ideational, material, and institutional resources for a revitalization,” the crisis can act as a catalyst for emerging stronger than before. To foster sustainable economic growth and innovation, enhance societal resilience and strengthen our political systems, the EU and the US have to walk the walk and meet the ambitious “build back better” imperative of their recovery plans.

The response by the West to Covid-19 and its cascading effects must not stop within its own borders, but demands global leadership. As the virus will only be defeated here when it is vanquished everywhere, it exposes the limitations of go-it-alone nationalism and isolationism. As US Treasury Secretary Janet Yellen wrote in a letter to the G20 in February 2021, no single country can “declare victory” over this dual health and economic crisis. It is a “moment made for action and for multilateralism.”

The pandemic is only one example of the common challenges we face in an interdependent world. These global challenges call for answers that transcend the capacity of individual nation states. As authoritarian and populist leaders claim the precise opposite, telling the fairy tale of nation states’ enduring strength and problem-solving capabilities, it is up to liberal-democratic countries to demonstrate that it is their cooperation that can deliver the best results for the people. With the commitment to international cooperation, liberal democracy, and human rights at its heart, the case for the West “restored” remains strong.

FORWARD TOGETHER

The election of President Biden provides a unique opportunity to move beyond the state of “Westlessness”. To do so, the West must begin at home. Too often, Western countries have breached their own principles by violating democratic norms and values at home and abroad. The fact that the US President seems to be acutely aware of this offers a strong starting point for the West’s renewal. Rather than being triumphant, his speeches over the last months have been humble, stressing that democracies need to work towards making the “vision of a future where every voice matters, where the rights of all are protected and the rule of law is upheld” a reality.

Beyond this internal dimension, to stand up for liberal democracy, the transatlantic alliance as the core of the Western project has to provide international leadership.
On the US side, the signs are promising. Placing international cooperation, alliances and partnerships at the center of his foreign policy, also at the MSC Special Edition, President Biden assured the European audience that “America is back, the transatlantic alliance is back.” Secretary of State Antony Blinken made clear what the US’s absence in international politics means for the world: “When the US pulls back, one of two things is likely to happen: either another country tries to take our place, but not in a way that advances our interests and values; or, maybe just as bad, no one steps up, and then we get chaos and all the dangers it creates. Either way, that’s not good for America.”

However, it would be a mistake to expect a transatlantic paradise in the coming months and years. The fact that the US, despite its new internationalist rhetoric, sticks to its “America First” vaccination strategy threatens to cut short the transatlantic honeymoon. EU leaders have a point when they complain about massive domestic criticism about the slowness of vaccination while millions of doses are being exported to non-EU countries. So who is more committed to Western values – Europe or the United States? Disagreements between Europe and the US, such as on the level of defense spending, the notorious Nord Stream 2 pipeline or regulatory issues, were evident long before the Trump presidency, while other areas for potential disagreement like the approach with regard to China will move up the agenda. Most importantly, the alliance-based approach by the US administration will come with greater expectations of its partners. Europe must not wait for US-led initiatives but instead needs to pro-actively invest political and economic capital in renewing transatlantic relations.

As one of Europe’s most powerful countries, this effort has to be supported and led by strong German action. In her speech at the MSC 2021, Chancellor Merkel argued that “sometimes [...] going the extra mile” is needed to fulfill its international commitments. These special efforts have so far been largely insufficient, as we have highlighted in our Special Edition of the Munich Security Report on German Foreign and Security Policy.

It is a promising first step that, judging from the contributions to the MSC special edition, fostering liberal democracy is taking center stage in the West’s political agenda – and that a common transatlantic approach is seen as the way forward. Moving beyond “Westlessness”, the next challenge will be to translate this new transatlantic momentum into tangible joint action.
Welcome back, America!

CARE packages and Elvis, GIs of color, and Kennedy – the young Federal Republic of Germany’s encounters with the American way of life elicited both shock and fascination. Now, America is back: the election of Joe Biden was a triumph of democracy, and maybe the most important since the peaceful revolution of 1989-90.

When I was young, the arrival of CARE packages also gave rise to the first dispute I would have with my parents over cultural matters. Traditional dirndls, adorned by German seamstresses with puffy sleeves and pinafores, suddenly faced new competition from across the Atlantic. The dress was made of light-blue organza; it was puffy and airy, and had small flowers printed on the delicate fabric and butterfly sleeves. It was the one and only thing the youngest daughter wanted to wear on the upcoming family photograph, which would portray children one to seven arranged by height.

After organza came petticoats – colorful skirts that could billow out to an unheard-of size from a corseted waist. They were worn with flat shoes and white blouses and were accompanied by frivolous rock ‘n’ roll. In short, the older generation had never seen such rebellion.
The world of Sunday afternoon music – which dared not venture beyond Schütz, Handel, and Bach – was being barnstormed by something foreign. And the self-contained world of the ostensibly ideal German family was not immune to these modern influences. A new lust for life broke through the oppressive mood that used to set the tone in our parental home.

Next to the old radio now stood a gray record player made of Bakelite, for listening to 45 and 33 rpm vinyl discs. This piece of audio equipment ushered into the house what everyone called the “party”.

Permanently etched into our memories are the encounters with GIs of color, as they stood high in the open hatches of the US tanks stationed in the Rhine region after the war – men who laughed as they passed out chewing gum to German children. And then there was Elvis, arriving on a US Army troopship in Bremerhaven, greeted by a throng of enthusiastic fans – an event we can relive today on old newsreels.

Blaming America is easy. But this does not change the fact, to this day, it remains the guarantor of a liberal world order. Europe needs America and America needs Europe.

A different culture burst onto the scene as a new age dawned, one that began thanks to prudent people in the United States who, instead of punishing Germany, wanted to help it achieve a democratic renewal – a Marshall, not Morgenthau, Plan. The choice was certainly made with some degree of self-interest, but it was far-sighted nonetheless. Alongside this came the brilliant idea of welcoming young people from Germany into American families for a year, so that they could attend school stateside.

Coming into contact with the American way of life was both a culture shock and an exhilarating discovery. This working class family had achieved astonishing prosperity because, despite being considered middle class, they owned things a child in post-war Germany had only ever heard distant rumors of – from a well-stocked refrigerator to a motorboat. Even more impressive was the relaxed lifestyle, the culture of equal opportunity and the positive attitude of “I’m OK, you’re OK” that felt so welcoming and stood in stark contrast to the dark shadows and psychological wounds of the war generation in Germany.
Those are the bright spots of the story of post-war German–American relations. And there’s more – for example, Kennedy’s legendary proclamation “Ich bin ein Berliner”, made during his visit to the divided city not long after the Wall went up. Only fifteen years earlier, Berlin had experienced the Airlift, thanks to which the Americans freed West Berlin from the stranglehold of the Soviet Union. And yet there has always been a flipside to German–American relations.

The United States elicits both admiration and disdain like no other country. By the early 20th century, America was being regarded by many nationalists and conservatives in Germany as a cautionary example, a soulless society that lacked culture and had become entirely commercialized. To the early thinkers of the conservative establishment during the time of the Weimar Republic, the United States of America was the pure, modern embodiment of capitalism – a country that worshiped technological progress and was governed by money; a superficial society that had become too much of a melting pot; it was devoid of traditions, tragedy, and depth.

The more that up-and-coming Germany adopted technological and cultural innovations from across the Atlantic, the greater overall anti-American sentiment grew.

Large parts of the 1968 counterculture also had a love–hate relationship with the United States. Our generation certainly soaked up American influences like a sponge: blues, rock ‘n’ roll, love and peace, Martin Luther King, Jr. and the civil rights movement, along with protest culture on university campuses. Yet, at the same time, the ’68 movement also espoused vehement anti-Americanism, clothed in anti-imperialist ideas. Popular chants at demonstrations against the Vietnam War included “USA-SA-SS.” You don’t need a degree in psychology to realize that behind any equivocating by the US regarding Hitler’s fascism lay a desire to ease our own historical burden.

In much the same way, protests against US military involvement in the war in Kosovo and US intervention in Iraq echoed the narrative of terror wrought by Anglo-American bombing campaigns that we had learned about from our parents, uncles, and aunts. Beneath official nods to “our American friends” lay a different interpretation that viewed the United States as an unpopular guardian, more of an occupier than a protector. “Ami go home!” was a popular slogan on both left and right.
Let’s not be under any illusions – today, the ground is still fertile for a decoupling from America. The cause often comes disguised as “European sovereignty”, and Trump’s presidency was an ideal catalyst. All the prejudices about how “America is broken” seemed to be borne out by reality. Yet, with the election of Joe Biden, a different light is being shed on this huge, fascinating country that is so full of contradictions. The election was a triumph for democracy, and maybe the most important one since the peaceful revolution of 1989-90. The promises of equal freedom for all, forging your own destiny, and the pursuit of happiness remain the great story that the United States can still tell the world.

Blaming America is easy. But this does not change the fact that, to this day, it remains the guarantor of a liberal world order. Europe needs America and America needs Europe. This is all the more true with the rise of authoritarian powers, especially China. Yes, Europe must assume greater responsibility for its own security, and it must self-confidently stand up for its interests. At the same time, do we not have so much more in common with America than we do with those who scorn democracy and human rights, in Beijing, Moscow, and Tehran? We would be foolish not to reach out and grasp the hand the Biden–Harris administration is extending us. On that note, welcome back, America!
German Unification: The American Story

In 1989, the United States believed that a unified, democratic Germany, within NATO and a more integrated European Union, would be positive for Germans, other Europeans, and the world. I am as convinced today as I was then that Germans and Americans benefit from strategic cooperation. Both would be foolish to drift apart.

Early on the evening of December 12, 1989, I drove with Secretary of State James Baker to a small, informal meeting with Lutheran pastors and lay leaders at the Nikolaikirche in Potsdam. I recall feeling especially alert as we crossed slowly from West Berlin over the narrow Glienicke Bridge, the famed scene of spy exchanges, on to the dim and empty streets of East Berlin, led by a single, small Wartburg Volkspolizei car, topped by a fading blue light that seemed almost out of power.

We were traveling to meet some of the courageous leaders of East Germany’s peaceful reform movement. Berliners had breached the Wall only a month earlier. We wanted to listen, first-hand, to the views of these intrepid dissidents. Baker had also spoken to Hans Modrow, the last prime minister of East Germany, to encourage plans for prompt, free, and fair elections, and we wanted to meet with the opposition to signal US support for the brave protestors and for German self-determination.

The Lutheran pastors spoke movingly about their cause; their quiet fortitude impressed me. Having been raised as a Lutheran in America’s Midwest, I was touched to recognize much of the music as I paged through a hymnal in the cold church. The speakers at this Potsdam session far surpassed all those I had heard as a boy!
The church leaders explained their hopes for the future. Their aspirations for a so-called “Third Way” polity seemed vague, even ethereal. In an effort to understand better, I asked, “And what does your congregation want?” The pastors laughed and answered, “Oh, they want what they see on West German TV!” I filed an important mental note. German unification, I reflected, if freely decided, was likely to become a takeover by the West, not a merger of equals.

Earlier that same day, Secretary Baker had delivered a seminal speech, “A New Europe and a New Atlanticism”, at the Berlin Press Club in the Steigenberger Hotel, not far from the Brandenburg Gate.

Two weeks before, Chancellor Helmut Kohl had surprised everyone with a Ten-Point Plan for German Confederation. Sparks flew in every direction; President Mikhail Gorbachev expressed frustration when he met President George H.W. Bush at Malta a few days after Kohl’s announcement, and the West Germans faced sharp complaints and debates at the NATO summit and European Community leaders’ meetings in early December. The United States embraced the idea of a peaceful, democratic unification; indeed, President Bush had signaled his support for unification in an interview as early as May. After Chancellor Kohl’s move had riled the political waters, we offered four principles that combined support for unification with reassurance to everyone else. Both the NATO and EC summits adopted these principles.

Baker’s Berlin speech embedded our principles for unification within a larger architecture for a Europe whole and free. He outlined specific steps for NATO and European security. Baker also embraced the central role of the European Community in shaping the new Europe, and he proposed closer US–EC institutional links as Europe’s integration deepened and widened. Finally, the United States envisaged expanded roles for the CSCE, the Helsinki process, in fostering East–West cooperation, security, and free elections.

Together, Baker’s speech and his visit to the Nikolaikirche in Potsdam framed the two, mutually reinforcing themes of America’s diplomacy for Germany’s unification: first, a strategy drawing upon a sense of history, including devising a foreign policy architecture for both unification and the future; and second, a fingertip feel for the forces on the ground, driven by the German people, that were creating the momentum for unification.
Most of the retrospectives of the end of the Cold War in Europe focus on the question of Russia; they concentrate on the fate of Gorbachev and the USSR. In contrast, the first US priority was to address the German question. Germany, our ally, ranked first.

From the 1600s to 1871, the German question referred to the manipulation of the many small German states and principalities in central Europe by neighboring empires. After 1871, the German question became how to cope with the new powerful German state at the heart of Europe, a country without secure natural borders.

In 1949, after two world wars, the solution to the German question was to have two German states, with the democratic Federal Republic of Germany integrated within western Europe and allied with the United States.

In 1989, the United States believed that both a unified, democratic Germany within NATO and a more integrated European Union would be positive for Germans, other Europeans, and the world. We also believed that this architecture could reassure Germany’s neighbors, east and west.

Unlike some in the Reagan administration, President Bush’s team did not believe that the Cold War in Europe would truly be over until the original cause of the conflict – the divisions of Berlin, Germany, and Europe – were overcome peacefully.

In addition, even during the rapidly evolving events of 1989-90, US strategy strove to recognize another lesson of history: we wished to avoid what we termed a “Versailles victory”, meaning a settlement, like the one after World War I, that sowed the seeds of its own destruction. For Germany, we wanted unification to avoid any discrimination – we used the term “singularization” – that a future generation of Germans might resent. Thirty years ago, the possibility of later German objections seemed unlikely. But more recent developments in central and eastern Europe have shown how resentments, historical memories, and fears can fuel discord and movements seized upon by divisive leaders.
We also wanted to offer reassurance to the Soviet Union, later Russia. The US and German diplomacy of unification sought to respect Moscow’s security, borders, and political standing. The G7 countries, and especially Germany, also provided substantial financial support. Yet we did not believe reassurance should extend to a condominium that granted Russia control over the Baltic states and other neighbors in eastern Europe. And we recognized that the future of Russia depended primarily upon the decisions of the Russian people.

The US diplomacy of 1989-90 recognized that we had to combine our historical and strategic perspectives with an astute – and pragmatic – assessment of day-by-day conditions on the ground in Germany. The German people – both East and West – had become a diplomatic force. Berliners had shown their mettle in 1949, 1953, and 1961; they had transformed the capital of the Third Reich into Freedom’s City. In 1989, East Germans risked their lives for liberty. West Germans embraced their neighbors and their hopes: a future of Freiheit und Einheit.

A stalled process of unification could have triggered a crisis. Germans might have vented their frustrations against Soviet soldiers or other foreigners. The Stasi or other resisters might have fomented violence. Events could have escalated dangerously.

The United States moved quickly to keep pace with events on the ground. At the same time, we recognized that US diplomacy could use German public pressure as an impetus to press for decisions that other countries were reluctant to face – especially the Soviets, but sometimes the UK, France, and other Europeans as well.

To connect history and strategy with events on the ground, the United States proposed the Two-plus-Four process. We placed the two Germanies in the forefront, emphasizing German self-determination. Furthermore, the FRG and GDR would negotiate the internal issues of unification on their own. The four allied powers of World War II would meet with the two German states to coordinate the external dimensions of unification and the terms of final settlement of the four-power rights left over from 1945, including over Berlin.
The United States did not want the Two-plus-Four process to delay or sidetrack unification. We expected the internal momentum to assist us. Nor did we want the Soviets to permit a political and economic unification while retaining residual four-power controls over Germany. We needed terms of transition so that the Soviet army would go home.

The United States and its partners had to coordinate and sequence complementary steps in other forums in order to build the external architecture for unification, as Secretary Baker had suggested in his Berlin speech. We needed to complete the conventional forces negotiations (CFE) to end the military confrontation in Europe; as part of CFE, Germany committed to a ceiling on smaller forces. NATO needed to adapt to the end of the Cold War – in doctrine, nuclear and force posture, purpose, and relations with newly free states to the east. CSCE became an OSCE with new missions and capabilities. The United States and the USSR pressed ahead with negotiations on strategic nuclear weapons. Germany – and eventually the G7 – assisted the Soviets with economic reforms, including financially.

Synchronizing all these activities – what we labeled a “multiple ring circus” – called for ringmasters who trusted one another: especially Kohl and Genscher, Bush and Baker, Gorbachev and Shevardnadze. The leading people mattered.

Only ten months passed between the opening of the Berlin Wall in November 1989, and the signing of the Two-plus-Four Final Settlement in Moscow in September 1990. Less than a month later, Germany was united.

We always felt the press of time bearing down upon us. We never knew when an event, a coup, or a sharp reversal would slam shut the window for unification. In August 1990, Saddam Hussein’s Iraq rolled over Kuwait, forcing President Bush and Secretary Baker to turn their attention to forging a global coalition to reverse Iraq’s aggression. By December 1990, Shevardnadze had resigned in the face of fierce domestic opposition. In August 1991, disgruntled Soviet leaders carried out a coup against Gorbachev; although the coup collapsed, by the end of the year so had the USSR.

Even as the United States tried to close out the Cold War in Europe peacefully – fulfilling our 40-year-long pledge to our German ally – our strategic vision looked beyond. We expected that Germany – by reason of its size, economic power, and geography – would play a decisive role in Europe’s future, as it had in Europe’s past. Having earned a special relationship with a democratic Germany over decades of the
Cold War, and especially through the successful closing chapter, we hoped to leave a foundation for future partnership. We looked to NATO and US–EU ties, along with strong bilateral and societal links, to encourage this close association. We appreciated that Germany’s Coordinator of Transatlantic Cooperation would contribute binding ties for decades to come.

The policymakers of one era cannot dictate the work of their successors. Yet we tried to show – through words and deeds – why both Germans and Americans would benefit from mutual respect and strategic cooperation. Both peoples would be foolish to ignore the consequences of drift, or worse, a lasting break in ties. This historical and strategic perspective holds for the 21st century, too.
We’re Fascinated by America – But are We Really Familiar with it?

To nurture transatlantic relations, we must also pay close attention to the special, emotional lens through which we view the differences between our nations. By becoming aware of the “illusion of intimacy”, we can encourage respect and understanding.

Fascination with America is a facet of Germany’s history, and of its present. For centuries, people from all parts of Germany crossed the Atlantic in search of a new life. Around 60 million US citizens, and more than 3 million Canadians, are of German ancestry – a fact most of these descendants are proud of. Whoever travels through the United States wearing the familiar lapel pin featuring the crossed German and host country flag, as Coordinator of Transatlantic Cooperation – or, as it’s referred to in Federal Government circles, KO-TRA – often gets stopped by Americans. Most often, they enthusiastically recount how they were stationed in Germany as a soldier and begin to reminisce about German food, beer, and cars. It is estimated that since 1945 more than 22 million US citizens have spent some time in Germany, either stationed there as a service member or as an accompanying dependent. In all these encounters, it becomes clear that Americans have a deep respect for Germany’s past and current accomplishments.

As for our fascination with America, this stems from the story that here is where everyone is free to forge their own destiny and make their dreams come true, if they only work hard enough. It is the country where nothing will keep you from living by the light of your own beliefs; where each individual is judged based not on their origin but on their attitudes and accomplishments; and where all that is new, unusual, and even crazy is accepted and nurtured. Americans are convinced that freedom even has the power to break down borders. This has earned them respect around the world.
For Americans and people across the globe, America is a place of longing that holds the promise of a life they yearn for. For many in America, these hopes have been fulfilled. Even those who in present-day America find themselves disadvantaged, discriminated against, or left behind dream of one day overcoming the obstacles they face at home – because where else could that happen but here, in the strongest country in the world? This belief in an America that can always successfully tackle not just its own problems, but maybe also the world’s, gives millions of people hope, including those who have taken to the streets in support of the Black Lives Matter movement, and not only in the US. It draws huge crowds to the Victory Column in Berlin to witness a senator who wants to be a president. And it keeps millions of people up late at night, following avidly as the votes are tallied in a presidential election.

As for our fascination with America, this stems from the story that here is where everyone is free to forge their own destiny and make their dreams come true, if they only work hard enough.

And yet, the more we’re fascinated by America, the more incredulous we become when we hear things that don’t align neatly with our concept of transatlantic unity. I have described this phenomenon as the “illusion of intimacy”. We feel we know and understand each other and, based on this, become convinced that we will always draw the same conclusions. But the answers we come up with, both here and on the other side of the Atlantic, often vary. The debates in America on healthcare, gun legislation, and national security are good examples. In civil society too, a range of cultural differences has formed over centuries that define lives in America and Germany more than do our many similarities.

Just as among family members or circles of friends, we find conflicts among the like-minded much more troubling than those we find hard to comprehend in other parts of the world. To nurture transatlantic understanding, it thus becomes crucial to not only keep an eye on our similarities and differences, but also to pay close attention to the special emotional impact this has on us – making us aware of the illusion of intimacy – so that we can more easily respect and understand one another. This is one of the most important things I have learned as Coordinator of Transatlantic Cooperation.
What is unique about this function is that it makes you a bridge-builder. Moreover, its true value lies in the impact you can have in what is often referred to as flyover country, outside the East Coast bubble. The US has excellent diplomats who can open the doors to government, Congress, and the scientific community. But in the rest of the country, there is an even greater need for exchange, discussion, and back-story.

That is why I found my talks in Seattle, Dallas, Miami, and St. Louis – or in Calgary and Vancouver – to be at least as helpful as the meetings I had in Washington, D.C., or Ottawa.

Another equally important pillar of the Coordinator’s work is maintaining contact with Jewish communities throughout North America. These meetings always open your eyes and deepen your understanding of political discourse. Jewish communities in particular have an abiding concern with Europe, and of course with Germany. The openness with which I was received at, for example, AIPAC, AJC, B’nai B’rith, the WJC, and the Leo Baeck Institute, was impressive.

I have always strongly felt that, as Coordinator, my focus should not just be on the relationship with the US, but also on Canada as an independent partner. Canada is strategically important for us. It is the second biggest country in the world and the largest freshwater repository on Earth. On important questions of foreign and economic policy, as well as on UN issues, Canada’s position is often a little closer to that of the Europeans, compared to the US. I still see a great deal of unharnessed potential in German–Canadian relations. I would very much have liked for Germany to ratify the Comprehensive Economic and Free Trade Agreement, which would have been a fitting conclusion to my time as Coordinator.

I am particularly indebted to those who preceded me in office. I had the honor of meeting and exchanging views with some of them, and these were welcome learning opportunities. Each and every one of my predecessors has helped shape and further develop the position of Coordinator. That is my wish for future generations. That in the coming forty years, the transatlantic partnership will remain as central and relevant as it is today.
In a Spirit of Mutual Understanding

The United States will remain one of our most significant political partners on the world stage.

Ever since the founding of the Federal Republic of Germany, transatlantic relations have been the second pillar of German foreign policy, alongside European integration. The US is still by far Germany’s most important trading partner outside the EU, and Germany continues to be the US’s most crucial trading partner in Europe.

During my time as Coordinator of Transatlantic Cooperation, I engaged in political, social, and academic exchange, as well as helping to promote economic relations between Germany, the United States, and Canada. I particularly remember the discussions I had with university students.

The transatlantic relationship between Germany and the United States has always been an energetic one. While our ties were not always straightforward or problem-free, they never came to a standstill or went into reverse. We always managed to directly address any problems we had, with a view to finding solutions in a spirit of mutual understanding. A real deterioration of the relationship with the United States did not occur until Trump took office, after which many things changed.

Take, for example, energy. For decades, the US kept a ban in place on crude oil exports, to ensure its independence from foreign oil. Now – in part due to fracking, a highly controversial issue in Germany – the US is the world’s number one oil producer and has openly declared its aim to be an oil exporter. To reach this goal, the US is counting on Europe, and Germany in particular, to be among its future customers. In so doing, the US is forgetting that our country has committed itself to energy transition, which involves conserving energy and shifting to renewables.
In the security sector, too, change is underway. President Obama was right to call out Europe and Germany, saying they must assume greater responsibility for security policy. His successor questioned the utility of NATO, suggesting that a common security alliance between Europe and the United States had become obsolete. Today, Germany is drawing closer to the agreed target of spending two percent of GDP on defense.

The last four years have tarnished the United States’ reputation in the world. The country’s claim to the moral high ground on upholding human rights, the rule of law, and democracy vanished with the Trump presidency. Trump snubbed his closest allies by taking an ambivalent stance on Russia, holding meetings with North Korea’s dictator Kim Jong-un that achieved nothing, and abruptly withdrawing troops from Kurdish-inhabited areas of Syria. This was far removed from true political cooperation, especially on international security issues.

Looking back on my time in office, I would have liked to have seen the US close its Guantánamo detention center. Barack Obama announced his intention to do so during his first presidential bid. Nothing came of it. It now remains to be seen whether President Biden will make good on that promise and shut down the camp.

The Paris Climate Accord adopted in December 2015 played a major role in many of the events and discussions I attended as Coordinator. Young people in particular held high hopes for this international climate agreement – which would have been toothless without US support. Trump’s announcement that he would withdraw from the agreement was a bitter setback and set off a wave of disappointment around the globe. The United States’ official return to the agreement under President Biden gives cause for hope.

On both sides of the Atlantic, trade relations with China are becoming ever more important. I was often asked by business representatives how Germany felt about the US’s pivot toward Asia. It was my goal to find a new, common path that we could follow with, and not against, the US, so that we could jointly harness emerging markets’ potential for development. The combined economic heft of the US and Europe can offer real leverage in negotiations with China. China is still continuing its attempts to pit the markets of the US and Europe against each other. We must not wander into that trap.
In addition to my talks in the US and Canada, I welcomed many political decision-makers to Berlin. Obama’s two trips to Germany were without doubt some of the highlights of my political career. Although he did not come to Germany until late in his first term, this visit was characterized by great sympathy and mutual trust.

I have fond memories of the first official visit to Berlin by John Kerry, who had just been appointed Secretary of State. A few of us met with then Foreign Minister Guido Westerwelle. I soon realized that Kerry had a deep understanding and wide knowledge of Europe. He had lived for some time in Germany and France as a young man, and has taken a keen interest in Europe ever since. We discussed some of the world’s most pressing conflicts, and he respected my point of view, even though in some ways it contrasted with the US stance. John was of course keen to enhance cooperation between our nations.

Since my term in office ended, transatlantic relations have changed a great deal – and sometimes not for the better. That is why today we must devote ourselves all the more to harnessing and strengthening the political and civil-society links between our countries, so that we can bring fresh vigor to our relationship. As I noted at the beginning, the United States will remain one of our most significant political partners on the world stage. Even with Europe taking on a more self-assured and truly global role, tried and tested alliances must be maintained and further nurtured.

I would like to thank my predecessors for the many invaluable relationships and contacts they made. They have accomplished great things. And finally, I am grateful to my successors for fostering and expanding transatlantic ties, through both the good times and the bad.
On Having the Good Fortune to Live in America as a Young Person

I got to know the United States before I became a foreign policy official – and the year I spent at a high school in Iowa in the mid-1950s had a major impact on my life. Today, exchange programs are just as important as they were then, and we should expand them.

My first impression of America resembled that of an immigrant. The ship that other exchange students and I had boarded a few days earlier in Bremerhaven slid smoothly past the Statue of Liberty and Ellis Island. After a short stay in Manhattan, I got on a Greyhound bus that took me to the Midwest.

In 1954, this was an unbelievable adventure for a German high school student. I was born in Wroclaw, and after the end of World War II my family was driven away by the Soviets. My father lost a leg in the previous war. Although he worked as a teacher, we were refugees in Bielefeld and did not have much money. When I applied to go to the US as an exchange student and was then selected, my parents were not unhappy to have one less mouth to feed at the dinner table for a year.

In Clinton, Iowa, on the banks of the Mississippi, I moved in with the Barnard family, who straightaway showed me the kind of hospitality that comes naturally to Americans. Mr Barnard was a chemist and had an Oldsmobile – what a car! I was also allowed to drive it from time to time, even though my American “mom” was none too happy about it. Later, I got my driver’s license, so that when I returned to Germany I only had to pass the driving theory test.
Their son Tom, a year younger, a great guy and tall for his age, accepted me immediately. Maybe it was because I liked playing basketball as much as him. Although I wasn’t quite up to his level, I did all right.

I really enjoyed going to high school that year. My English improved quickly, I acted in plays and read a lot, mostly Mark Twain. The only thing I couldn’t get used to easily was the dating.

World War II, which had ended ten years earlier, played no role – no one ever brought it up. I was a young man, without much interest in politics, and was treated well by everyone. They welcomed me as a friend. Back then, I was aware that there was a logic to this – one that had to do with the Cold War. The Americans wanted us young Germans on their side. That was entirely new to me. The British in Bielefeld were more reserved in their encounters with us.

The exchange program included a trip to Washington, D.C. I encountered President Eisenhower getting out of his car. I greeted him, and he said hello. What impressed me most was the Lincoln Memorial. Later, I read a great deal about Abe. Seeing his statue taught me that Americans are very good at honoring their heroes. Today, I think we could take a leaf out of that book.

Tom Barnard later visited me in Bielefeld. We cycled south and spent a night at the farm of relatives of mine. They were amazed at how well my American comrade handled a tractor. Tom and I stayed in touch over the years, and remain friends to this day.

Even though I took a critical view of US policies – for example, during Ronald Reagan’s presidency – the positive experiences I had in America made a lasting impression on me. The year I was lucky enough to spend at a US high school was a stroke of fortune. To this day, the friendship between our countries is nurtured by such encounters and experiences.

I am therefore a strong proponent of not only maintaining, but also expanding, exchange programs between Europe and North America. Every young European who gets to know people on the other side of the Atlantic will view the world with different eyes – and in the process gain a closer understanding of the Western community of shared values.
It does not make sense for Germany to decouple itself from the United States. On the contrary, a strong EU is the best protection the Americans can have against the temptations of unilateralism. While the EU is right to seek to gain more clout and influence, it should not define itself as a counterweight to the United States.

For decades after the end of World War II, the German–American partnership was the primary anchor of stability in German foreign policy. Moving forward, it will remain Germany’s most important relationship in the spheres of foreign, economic, and security affairs, alongside Germany’s firm place in the European Union.

Germans and Americans are allies, partners, and, for the most part, also friends. The United States and Germany are equals in terms of rights – but not when it comes to power. Their relationship is asymmetrical, in that the US is more important to Germany than vice versa. Given this rapport, Americans will often ask themselves how, and in what areas, Germany remains relevant to US aims and interests. Germans, for their part, will ask themselves time and again how they can have more sway in Washington.

The most important means of boosting Germany’s influence is to make the European Union more capable of action. Instead of Germany going it alone, European consensus should become an ever more significant tool of German foreign policy. The European Union should also seek to gain clout and influence in its relations with the United States, although it should not define itself as a counterweight to it.
The aim of European sovereignty should not be to decouple the EU from the United States, but rather for the bloc to independently formulate its own objectives and interests. Moreover, the EU should develop an ability to autonomously conduct small- and medium-sized military operations. NATO will of course remain the principal instrument of military protection for the EU and its members. On the other hand, strengthening the EU is an important precondition for the United States to truly maintain, and not just pay lip service to, this partnership – even as it pursues its own agenda. Simply put, a strong EU is the best protection the US can have against yielding to the temptations of unilateralism. These temptations persist, despite the election of Joe Biden.

With the rise of China, the global power equation has shifted in such a way that multilateral foreign policy is becoming more and more attractive for all transatlantic partners because this aligns with their own interests. This is true for the United States, but applies even more for Europeans. No single European country has enough power to be accepted by China as an equal. When national policies with respect to China diverge from the consensual European position, member states may stand to make shortterm gains, but in the medium to long term they inflict damage not only on the EU and the entire transatlantic partnership, but also on themselves.

The goals and interests of the EU and its members and the United States with regard to Russia and China do overlap – but not in all respects. It is a relatively simple task to agree on common criticism of Chinese and Russian authoritarianism. When Russia or China make aggressive foreign policy moves, the transatlantic partners can generally reach agreement on joint responses. However, this will not be the case when it comes to economic relations. Here, the EU as a whole, and Germany in particular, is interested in maintaining rulesbased economic ties with China and Russia. To the extent that protective action is required for security-related and economic reasons, these relations should be jointly defined and implemented by the EU and the United States. In the past, the US has repeatedly resorted to unilateral action, or even attempted to mold the behavior of allies to its will through force, by imposing unilateral punitive measures. This is no way for allies and partners to act.
It is understandable that Russia’s western neighbors are voicing their need to be safeguarded against aggressive Russian behavior. They are right to expect support from all EU member states and from the United States. At the same time, many European countries, particularly Germany, continue to insist that, wherever reasonable and possible, there should also be a focus on cooperative economic, political, and cultural relations with Russia. This aspect of a two-pronged approach to Russia is less significant for the United States. The US is more interested in the potential threat posed by Russian nuclear weapons and cyber attacks – while the current main topic of debate in America is how to rise to the challenges posed by China.

Despite these slightly diverging views and interests, considering the current challenges – and in particular the risks posed by climate change, international terrorism, pandemics, and numerous regional conflicts – the transatlantic partnership is set to become even more important in the future.

For us to understand our differences and, with this knowledge, keep finding new common ground, we will continue to need the offices of, and people like, our Transatlantic Coordinators.
The American Dream

In the relationship between Germany and the United States, former certainties are beginning to crumble. If we want the transatlantic relationship to have a bright future, then both sides must set to work on building a strategic network with a common basis of trust.

The attraction people have always felt for the United States is rooted in fascination with the American dream. “Have a look at the eyes of the Americans who leave the National Air and Space Museum in Washington – then you’ll know how promising it is to work on the transatlantic relationship” – this is what Federal Chancellor Helmut Kohl said to me when I hesitated after he asked me to assume the role of Federal Government Coordinator of German–American Cooperation. The events of the following years proved him right. It was a society on the move, striving to cross new frontiers. It also held the promise of upward mobility: “Anyone can bootstrap their way from rags to riches.” The willingness of US policymakers to engage in transatlantic cooperation based on trust was breathtaking.

My first face-to-face, Oval Office meeting with an American president – Ronald Reagan at the time – lasted two hours. When I politely suggested that I should be going, he said he wanted to do something nice for me. What would that be? Subsequently, I was flown to visit the astronauts at Cape Kennedy, as well as Governor Bill Clinton and his wife Hillary in Little Rock, Arkansas. And that is how my close and trusting presidential relationships continued, from office holder to office holder. President Bush asked for my advice on how he should negotiate with Mikhail Gorbachev on the subject of German unification. I had, after all, predicted early on that the Wall would come down.
In contrast to this special transatlantic bond of trust, I noticed that American intellectuals’ ties to Germany were much weaker than was commonly believed. I wanted to address this problem with eye-catching, high-level cooperation efforts that were endowed with considerable budgets. In particular, I launched three initiatives:

- We invited the presidents of the twelve leading US universities to Bonn for meetings with the Federal Government. We talked about our ambitions, asking them to develop ideas on how we could raise intellectual transatlantic cooperation to new heights. We underscored that we could make available large amounts of funding to the three universities with the winning proposals. All twelve institutions participated in the competition, and Harvard, Georgetown, and Berkeley came out on top. We later added a fourth, Brandeis. All of them then founded Centers of Excellence for cooperation with Europe.

- The aim was, among other things, to recruit top American talent for collaborative efforts with Germany. For this, we needed to establish top-notch scholarships, ensure high-quality mentoring, and build program prestige, so that the fellows would be on a par with Oxford University Rhodes Scholars. We then named the program, which is highly successful to this day, the German Chancellor Fellowship. It became such a long-lasting success that other countries were later added, in addition to the United States. Today, fellowships are awarded to university graduates from the US, Russia, China, India, Brazil, and South Africa.

- I then had the idea of founding a German–American academy of sciences, which took up its tasks on a high level in the world of academia. When I later stepped down as Federal Government Coordinator after twelve years, however, this institution closed down.

It would be naive to expect German–American friendship and the partnership between Europe and the United States to be unaffected by the end of the old conflict between East and West.
So much new ground has been broken, trust established, and success achieved. And now? We can no longer speak about the American dream without some degree of skepticism.

It would be naive to expect German–American friendship and the partnership between Europe and the United States to be unaffected by the end of the old conflict between East and West. In the substrata of transatlantic relations, erosion is an undeniable fact. There is a growing lack of interest, personal networks are becoming frayed, and new generations are arriving on the scene, as our “location” becomes increasingly hard to define. In short, for many years now, the relationship between Germany and America has ceased to be something we can take for granted.

Constantly recurring issues of transatlantic dialogue present a series of paradoxes:

- Germans and Americans are firm friends – yet they have a hard time understanding each other.

- Germans and Americans live in the same security community – yet each side voices doubts about the reliability of the other.

- Germans and Americans have close economic ties – yet they accuse one another of reaping benefits at the expense of the other side.

If the Atlantic community is to have a future, then it must be viewed as a learning community. To create the conditions for an effective exchange of fresh insights, new communication structures and forms of cooperation must be developed. Currently, both sides still lack key prerequisites for forging a new partnership on equal terms. If we want the transatlantic relationship to have a bright future, then both sides must set to work on building a strategic network of those who share a common basis of trust.