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AICGS POLICY REPORT

COOPERATION OR DIVISION?
THE GERMAN-AMERICAN
RELATIONSHIP IN A
CHANGING WORLD

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American Institute
for Contemporary
German Studies

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The American Institute for Contemporary German Studies strengthens the German-American relationship in an evolving Europe and changing world. The Institute produces objective and original analyses of developments and trends in Germany, Europe, and the United States; creates new transatlantic networks; and facilitates dialogue among the business, political, and academic communities to manage differences and define and promote common interests.

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FOREWORD

AICGS is pleased to present the written results of the third and final year of its project “**A German-American Dialogue of the Next Generation: Global Responsibility, Joint Engagement.**” The six authors together with several other young Americans and Germans engaged with each other during the course of 2018-2019 in discussions to identify solutions to global issues of concern for the transatlantic relationship. The purpose of the project is to emphasize the important role of the next generation of transatlantic leaders and experts and to give them a platform and voice in the critical dialogue of crucial global issues that require joint transatlantic attention and solutions.

The project participants come from a variety of disciplines and have a wide array of expertise. Representing the three AICGS program areas—Foreign & Domestic Policy; Geoeconomics; and Society, Culture & Politics—the participants formulated a set of recommendations that were presented in a variety of venues and through innovative means. The essays presented in this Policy Report summarize the outcome of a year-long engagement with current critical transatlantic issues, which include challenges and opportunities related to the digital transformation, the future of work and education of the workforce, the rise of China as a global player, the growing influence of Russia, populism, the energy transition, European defense capabilities, transatlantic security cooperation, the inclusion of minority and immigrant populations, as well as the role of civil society in strengthening the transatlantic alliance.

The project’s goal has been to highlight the perspectives of the next generation of transatlanticists and to broaden the public debate about important issues. Digital media form a crucial element of the project. With frequent blogs, virtual meetings, tweets, and videos, AICGS is targeting new and established generations in order to draw them into the fold of the transatlantic circle. The project ultimately hopes to contribute to maintaining and expanding the transatlantic bond between the United States and Germany during and beyond a period of fraught relations. AICGS is grateful to this year’s participants for their enthusiasm and engagement as well as their innovative and creative contributions, which have made this project such a success. For more information about the program, please visit the AICGS website at <https://www.aicgs.org/project/a-german-american-dialogue-of-the-next-generation-2018-2019/>.

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Susanne Dieper
Director of Programs and Grants
AICGS

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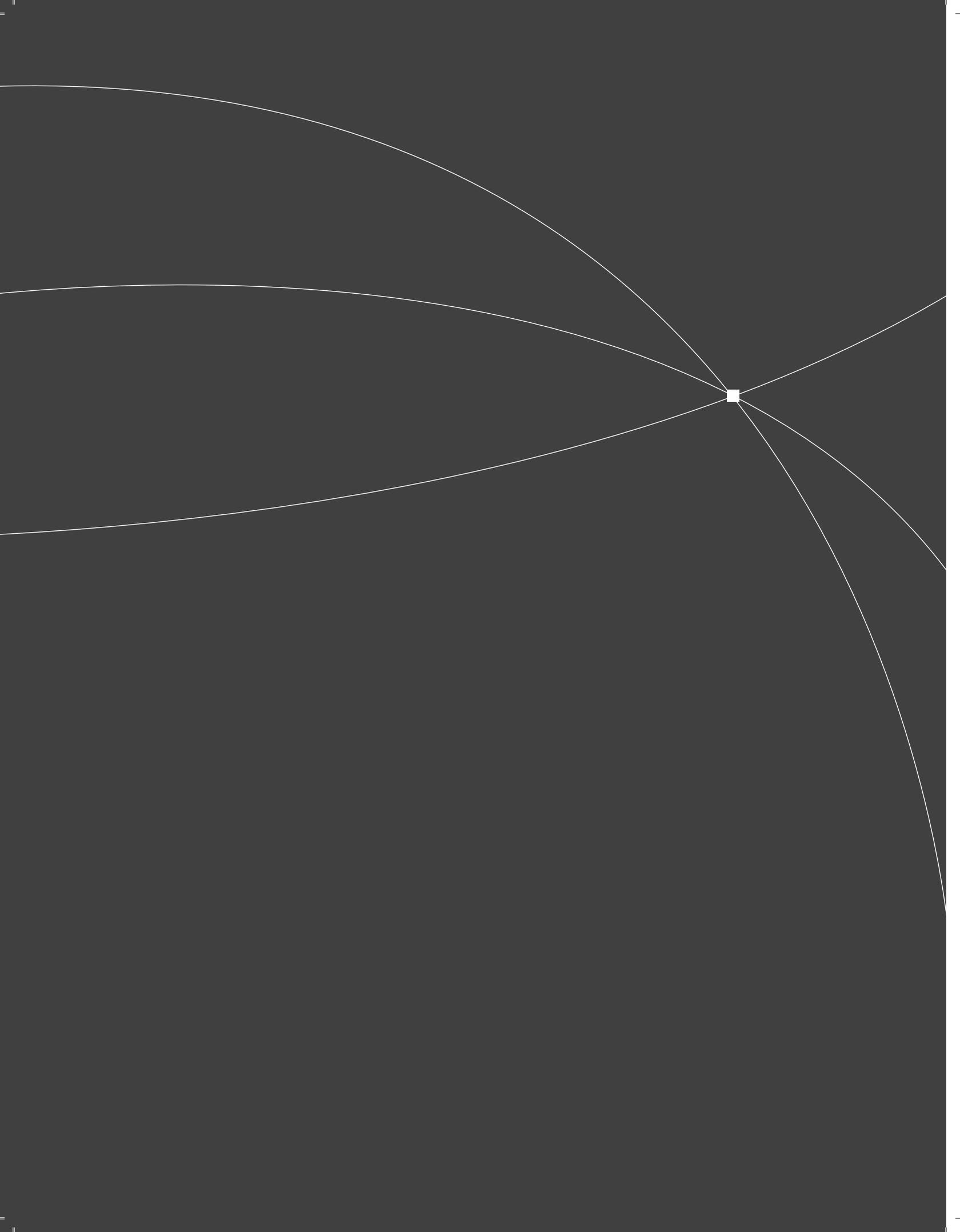
Thomas Hanley is a research assistant with the Global Public Policy Institute (GPPi) in Berlin, where he provides research and project support to the Institute's work on multilateral coalition building, the changing global order, technological sovereignty issues, and authoritarian challenges to liberal democracies. During the 2017-2018 academic year, Mr. Hanley taught at the Catholic University of Eichstätt-Ingolstadt as a graduate assistant and was an Atlantic Expedition Fellow with the Berlin-based Atlantische Initiative, an organization working to improve transatlantic relations. Mr. Hanley holds a Bachelor's degree in political science from Boston College, where his thesis examined the relationship between European radical right-wing parties and xenophobic violence. He speaks English and German, and has previous work experience with the United States Department of State in Brussels, Belgium and with R/GA Digital Advertising, working on its Nike account in London, England.

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Philipp Stelzel studied modern European and German history at Ludwig-Maximilians-Universität München, Columbia University (MA), and the University of North Carolina at Chapel Hill (PhD). He has taught at Duke University, Boston College, and has been assistant professor of history at Duquesne University, Pittsburgh, since 2014. His research focuses on post-1945 German and German-American intellectual and political history, historiography, and transnational history. His first book, *History after Hitler: A Transatlantic Enterprise* (Intellectual History of the Modern Age series of University of Pennsylvania Press, 2018) analyzes the intellectual exchange between German and American historians of modern Germany from the end of World War II to the 1980s. His current project, *Oppressing the Majority*, is a contribution to the history of the global phenomenon of populism. It explores the trajectory of an argument that simultaneously emerged in Western Europe and the United States in the late 1960s and early 1970s, namely that a number of different actors, including political elites, activists, and the media, oppressed the voices of the "silent majority" of the respective populations. *Oppressing the Majority* follows the argument's trajectory in West Germany, Great Britain, and the United States in the subsequent four decades and places it in the political, socio-economic, and cultural context of these countries.

Ines Wagner is a Senior Researcher at the Norwegian Institute for Social Research in Oslo. She holds a double PhD degree in Political Science and International Management from the University of Jyväskylä and the University of Groningen and an MSc in Global Politics from the London School of Economics and Political Science. Dr. Wagner was a visiting fellow at Max Planck Institute for the Study of Societies in Cologne, the European University Institute in Florence, and the Institute of Economic and Social Research in Düsseldorf, and is an alumna of the Global Young Faculty. Her research on temporary and circular labor mobility in the European Union has appeared in the *British Journal of Industrial Relations*, the *Journal of Common Market Studies*, and the *Journal of Ethnic and Migration Studies*, among other outlets. Her book *Workers Without Borders: Posted Work and Precarity in the EU* was published with Cornell University Press in November 2018. She has received scholarships from the Norwegian Research Council, the Mercator Foundation, the Røwdes Foundation, and excellent young scholar awards from the Society for Advancement of Socio Economics and from the Society of Advancement of Management Studies.



TRANSATLANTIC RELATIONS, THE LIBERAL DEMOCRATIC ORDER, AND THE POPULIST CHALLENGE

PHILIPP STELZEL

When the American Institute for Contemporary German Studies invited me last summer to participate in the project “A Transatlantic Dialogue of the Next Generation,” I agreed immediately, for both personal and academic reasons.¹ I had grown up in Munich, where I attended the Ludwigs-Maximilians Universität, before a Fulbright fellowship allowed me to complete an M.A. degree at Columbia University. After a year back in Germany, I returned to the United States in 2004 to pursue a PhD in history at the University of North Carolina at Chapel Hill. I am now teaching twentieth century German and European history at Duquesne University in Pittsburgh. To date, I have lived in the United States for fifteen years.

In addition, the focus of my work is transatlantic. My first book, *History after Hitler*, explored the emergence and flourishing of a post-World War II transatlantic intellectual community of historians, and revealed the extent to which these scholars’ work resulted in a nuanced understanding of German history in both Germany and the United States. My current project, *Oppressing the Majority*, analyzes the trajectory of an argument that emerged in Western Europe and the United States in the late 1960s and early 1970s: that political elites, activists, and the media were succeeding in choking the voices of a “silent majority.” Ultimately, this project offers a transnational contribution to the history of contemporary populism.

Attending the conferences hosted by AICGS has been an immensely rewarding experience, as I was able to learn from colleagues in other disciplines such as political science, economics, and law. Yet to me, one set of issues remained glaringly absent: First, what is it that transatlanticists believe

German-American relations should aim for? What values are to guide these relations? And second, if the common denominator, often invoked, is the “liberal democratic order,” then how exactly do we define that order?

Having listened to my fellow experts in the course of the past year, I have become increasingly convinced that proponents of a close transatlantic partnership have to articulate much more clearly what they believe its goals are. Once we have decided this crucial question, we will be in a better position to engage citizens on both sides of the Atlantic; certainly the ones who are uninterested in or indifferent to these matters, but perhaps even those who are hostile. Clarifying the stakes and the terms will also allow us to get beyond the defensive position in which transatlanticists have found themselves lately. It will help them to “shift the narrative,” which was one of the primary tasks identified by the Foreign & Domestic Policy Group of this year’s Transatlantic Dialogue of a New Generation.

The following essay first offers some observations on the longer-term trajectory of German-American relations. It then focuses on the current challenges for a closer cooperation of the two countries, before offering some suggestions on how to improve the transatlantic partnership, in particular in the face of the populist wave on both sides of the Atlantic.

Transatlantic Relations after the Cold War

In 2012, historian Mary Nolan published her magisterial study *The Transatlantic Century* on the relations between Europe and the United States from the last decade of the nineteenth to the first decade

of the twenty-first century.² Nolan entitled the last two chapters, which dealt with the decades following the end of the Cold War, “A Widening Atlantic” and “Imperial America, Estranged Europe.” This seems surprising, because in light of the “unipolar moment” (Charles Krauthammer) of the 1990s, the economic problems of many European states during the same decade, and the failure of the European Union to respond adequately to the Balkan wars, one might have expected a subsequent inclusion of European states into a world order dominated by the United States.

Yet this did not come to pass. In Nolan’s words, “the ensuing two decades [between the end of the Cold War and the publication of her book] were less a story of convergence and cooperation between Europe and the United States, than of divergence, disagreement, and at times overt hostility.”³ This divergence manifested itself in the domestic arena, where the United States embraced neoliberalism and deregulation, whereas much of Europe, and certainly Germany, despite cutbacks of the welfare state, remained generally committed to a social market economy. In the international arena, the United States assumed a more interventionist and unilateral stance, while for German foreign policymakers this was neither desirable nor possible.

In light of Nolan’s analysis, one might ask if the current tensions between Europe and the United States and between Germany and the United States are thus only a continuation and intensification of the trend emerging in the last three decades. Without a doubt, this period has seen a realignment of interests on both sides of the Atlantic. While the focus of American foreign policy shifted away from Europe and thus Germany, and toward Asia and South America, post-unification Germany has struggled (and is still struggling) to find its international role. As Andrew Port has suggested, the major shortcoming of German foreign policy during the last three decades has been its erratic nature.⁴ In particular, Germany’s abstention during the UN Security Council’s 2011 vote on the resolution to authorize force in order to remove the Libyan dictator Muammar Qaddafi illustrated this problem-

atic tendency. Just as symptomatic as Chancellor Angela Merkel’s and foreign minister Guido Westerwelle’s assertion that abstention did not equal neutrality on this issue was an opinion survey conducted at the time: It revealed that 62 percent of Germans favored the use of force against Qaddafi, yet only 29 percent thought that their government should commit German troops for that purpose.⁵ While it is understandable that German history in the first half of the twentieth century continues to weigh on its political elites and public alike, Germany’s allies are justly frustrated by the resulting indecisive nature of the country’s foreign policy. Perhaps the outcry over former federal president Horst Köhler’s 2010 comments on Germany’s national interests and a possible military deployment to assert them could have offered an opportunity for a broader debate on what exactly its national interests are or should be. This debate has yet to happen.

To a lesser degree, the personal relationships of German and American leaders have mattered for the two countries’ relations as well—and not just recently. In the late 1970s, the self-declared “realist” and managerial West German chancellor Helmut Schmidt had little sympathy for what he regarded as the misguided foreign policy idealism of U.S. president Jimmy Carter. Instead, Schmidt made it clear that he would have much preferred to continue working with Carter’s Republican predecessor Gerald Ford.⁶ On the other hand, President George H.W. Bush’s good personal relationship with Chancellor Helmut Kohl certainly helped to make the United States an early supporter of German unification, which was crucial for the Kohl government in light of the serious concerns voiced especially by the British prime minister Margaret Thatcher.⁷

A general factor complicating transatlantic relations is the difficulty on both sides of the Atlantic to comprehend the differences between the respective political systems. And especially in Germany, even many media observers still lack a proper understanding of the degree to which American society has been divided at least since the 1990s (though some historians argue that the current divide has its roots in the 1960s⁸). As a result,

Germans continue to be surprised when an American president enjoying immense popularity in Germany (Bill Clinton, Barack Obama) is succeeded by one seeming to confirm all anti-American stereotypes (George W. Bush, Donald Trump).

Much of the German news coverage of U.S. domestic politics also tends to underestimate the increasing unwillingness of the Republican Party to respect electoral outcomes. When the party lost the governor's races in North Carolina in 2016 and in Wisconsin in 2018, Republican-controlled state legislatures passed a series of laws severely curtailing the powers of the incoming Democratic governors.⁹ In their recent study "How Democracies Die," political scientists Daniel Ziblatt and Steven Levitsky emphasize the importance of mutual toleration and institutional forbearance to ensure the functioning of a democratic political system.¹⁰ Mutual toleration, according to Ziblatt and Levitsky, refers to the idea that political rivals observe constitutional rules and recognize each other's equal right to compete for political power and to govern. The Republican Party has lately signaled their increasing unwillingness on the federal as well as on the state level to do just that.

The long-standing practice of gerrymandering belongs in a similar category. While historically both Democrats and Republicans have resorted to this tool in order to secure their majorities, it currently favors the Republicans on the federal as well as many state levels.¹¹ For example, in the 2018 elections, Democrats earned 48 percent of the popular vote in North Carolina House races (as opposed to the Republican 51 percent), but won only three seats (as opposed to the Republican nine seats), with one seat still undecided. Similarly, in Ohio Republicans earned 52 percent of the popular vote, but twelve out of sixteen seats in the House of Representatives.¹²

Institutional forbearance, the second norm Levitsky and Ziblatt deem critical for democracy's survival, refers to the avoidance of actions that violate the spirit of a law while respecting its letter. During the second term of George W. Bush, half of the Democratic senators voted for John Roberts and a

few for Samuel Alito, whereas during the second term of President Obama, the Republican Senate majority leader Mitch McConnell, in an unprecedented fashion, prevented a confirmation hearing of the president's Supreme Court nominee Merrick Garland.¹³

Why does all this matter, not only for the health of American democracy, but also for transatlantic relations? German transatlanticists need to recognize more clearly the consequences of Republican extremism for the German-American partnership. It seems exceedingly difficult to find common values and to credibly work for a "liberal democratic order" with representatives of the current U.S. administration. After all, it is run by a party with a growing record of actions violating long-standing democratic norms and of vilifying independent news media. Instead, transatlanticists should focus their attention even more on those political actors in the United States who still adhere to these norms—and they do exist, across the entire political spectrum. This could serve the additional purpose of reminding Germans of the diversity and the resilience of American civil society, which they tend to lose sight of, in light of the rhetoric and the policies of the U.S. administration, whether Trumpian nationalist isolationism or Boltonian aggressive interventionism.

The Liberal Democratic Order

A fundamental problem in the transatlanticist discourse is the lack of terminological precision: it is by no means clear what exactly we are talking about when we emphasize the common values that are threatened by populist forces on both sides of the Atlantic. Sometimes a "liberal democratic order" is the invoked entity, but without a clear articulation of what kind of liberalism this order entails. Do we define it as liberalism in the current American parlance (which is of course also not a very clearly demarcated term, either)? Or do we understand liberalism in its classic sense, combining *laissez-faire* economics with civil liberties? The unspoken assumption in transatlanticist circles appears to be that there is a general consensus on core ideals. The author of this essay has gained a different impression in the course of the Transatlantic

Dialogue project. The recommendation would therefore be to make the assumed consensus itself a topic of discussion.

For example, what is the place of free trade within the liberal democratic order? Few if any proponents of close transatlantic relations are economic protectionists, but differences exist when it comes to the issue of consumer protection (and the bodies responsible for it), labor standards, and other areas, as the Transatlantic Trade and Investment Partnership (TTIP) negotiations have made abundantly clear. And outside of the transatlanticist milieu, protectionism enjoys increased popularity.

It appears that the only uncontested aspects of the liberal democratic order are civil liberties including freedom of the press. If that is indeed the case, what do we make of the fact that this part of the liberal democratic order is currently under attack in both the United States and in Germany, with the significant difference that in Germany, the fringe party Alternative for Germany (AfD) is at the forefront of a wholesale defamation of the media, whereas in the United States its proponents include high-ranking members of the administration, including the president himself.

Transatlantic organizations should play a more vocal role in these matters. The American Council on Germany, for example, states that “during this time of global tumult and significant challenges [it is] dedicated to honing a new narrative for the German-American relationship—one that compels us to build on our past cooperation through new perspectives and innovative approaches.” It also emphasizes that “ensuring open societies with close ties across borders” constitutes one of its current goals.¹⁴ Similarly, its German counterpart Atlantik-Brücke asserts: “now that nationalist tendencies are gaining support around the globe, Atlantik-Brücke remains even more committed to its mission. It supports open societies, multilateralism, and free trade.”¹⁵ Therefore, if an open society or multilateralism is under attack in either Germany or the United States, transatlantic organizations should be more vocal in their defense.

Of course, it is evident why transatlantic organizations have traditionally emphasized their non-partisan orientation. They rely, after all, on contacts to the respective governments and can ill afford to antagonize them. Yet non-partisan can certainly not mean devoid of specific political values, and in this author’s opinion, the almost exclusive focus on policy obscures the underlying values guiding those policies. A much more forceful articulation of the benefits of these values is needed now more than it has been in decades, as not only the U.S. administration, but also many citizens on both sides of the Atlantic are no longer supportive of them.

The Populist Challenge

Insufficient terminological precision is also a problem affecting transatlantic debates on populism. Too many media analyses have been grouping a number of very different parties and non-party movements into the same populist category. In fact, some historians and social scientists have argued for abandoning the term altogether, in light of its inflationary usage. Terminological imprecision may also be one of the reasons for the difficulties of establishment political parties to respond to the populist challenge more effectively.

As political theorist Jan-Werner Müller has suggested in his study *What Is Populism?*, populist political actors and movements are both anti-elitist and anti-pluralist, and the latter is the stance endangering democracy.¹⁶ If movements or political leaders claim that only their positions are legitimate and that only they truly represent “the people” (a fictional entity, of course), one enters dangerous territory. By contrast, movements and forms of political protest that are anti-elitist but not anti-pluralist need to be recognized as legitimate. Developments in both Europe and North America during the last decade should have made it abundantly clear that political elites have failed to recognize a profound disaffection of significant parts of their societies by the status quo. Chancellor Merkel’s use of the by now almost proverbial “alternativeless” (*alternativlos*), a term employed by some of her Cabinet members as well, to justify specific policy decisions, arguably best captures this failure. Not coincidentally, the government-sponsored Association for the

German Language selected *alternativos* as the 2010 “Non-Word of the Year.”¹⁷

Equally important for a better understanding of the populist challenge is historian Federico Finchelstein’s recent study on post-World War II populist movements and regimes. Finchelstein suggests understanding populism as conceptually neither left nor right and as “an intolerant understanding of democracy, in which dissent is allowed but portrayed as lacking any legitimacy.”¹⁸ Finchelstein further argues that the tendency to paint populism as an “unproblematized negative take on democracy reveals a simplistic, and often self-serving, identification of democracy with neoliberalism.”¹⁹ Finally his analysis clearly differentiates between fascist and populist movements, a distinction that is occasionally lost in the heated American political discourse.

These critiques are not merely of an academic nature, but they can have profound consequences for potential responses to populist movements and parties. Just like pro-European politicians across the continent still do not seem to truly understand the disaffection of a growing number of citizens with the European Union, so transatlanticist elites would be well served to take the concerns of citizens (a higher percentage in Europe and Germany than in the United States) about transatlantic projects more seriously. TTIP, for example, has been criticized by a number of unions, NGOs, and environmental groups for insufficient attention to labor standards and consumer and environmental protection. The secretive nature of the TTIP negotiations did not exactly help to dispel these doubts.

A technocratic attitude of many transatlanticists has also fed into the prejudices of anti-elitist citizens on both sides of the Atlantic. As historian Adam Tooze observed recently about the past two decades, “on both sides of the Atlantic, it [has been] the job of centrist intellectuals to swat down critical talk from the left about the rule of undemocratic technocrats and the hollowing out of democracy.”²⁰ Much of the recent literature on populism and illiberal democracies shares Tooze’s verdict.

German-American Cooperation: To What End?

Finally, German and American transatlanticists need to articulate more clearly what they believe to be the goals of German-American cooperation. In light of the current deep political rift between the Federal Republic and the United States, it is understandable that both countries have focused on the benefits of their economic ties. For example, a news service produced on behalf of the German Foreign Office emphasized the role of the automotive industry, with Mercedes-Benz plants in Alabama, Volkswagen in Tennessee, and BMW in South Carolina.²¹ In addition, the German apprenticeship model has been gaining traction in the United States as of late.²²

Yet this is not enough. A crucial part of the argument to be made by transatlanticists is what values one considers to be at the heart of transatlantic relations. Of course, this cannot and should not take the form of a specific political program. But the basic values connecting the two countries need to be discussed and made more explicit than they have in the past. Perhaps the current crisis might offer a chance for transatlantic actors of different political convictions to work together, as it seems crucial for transatlanticists from the Left to the non-Trumpian Right to appreciate their common ground, despite their policy differences.

A Reason for (Cautious) Optimism?

Yet perhaps there is, despite the current challenges, a reason for (cautious) optimism. German-American relations have endured crises before, and the fear on both sides of the Atlantic of permanent damages has previously turned out to be unwarranted. During the 1960s, for example, when many younger Germans became vocal opponents of the Vietnam War, an “other transatlantic alliance” formed, which challenged many of the Cold War pieties in West Germany and the United States.²³ Despite the many problematic features of especially the West German student movement, its wholesale designation as “anti-American” has always missed the point, because it not only shared values with its American counterpart but also drew

a significant degree of inspiration from the events at Berkeley, Columbia, and elsewhere. As the historian Martin Klimke has shown, this “other alliance” ultimately resulted in the emergence of “a much more nuanced and diverse transnational picture of the United States, which ha[d] begun to incorporate ethnic minorities and other marginalized voices into its canon. Although by no means free from gross distortions and misrepresentations, it is nonetheless a more mature and balanced perspective on the United States as a country, including its many advantages as well as shortcomings.”²⁴

Another example of an ultimately beneficial outcome of an ostensible crisis of transatlantic relations is the emerging Holocaust awareness in the United States, which began in the late 1970s, with the inclusion of the Holocaust in more and more high school world history curricula and the airing of the NBC miniseries *Holocaust* in 1978. Throughout the 1980s, a veritable “Holocaust Angst” plagued West German politicians and diplomats, who obsessed that these developments as well as the creation of the United States Holocaust Memorial Museum in Washington, DC, would result in increased anti-German sentiment in the United States and ultimately damage the close German-American political partnership.²⁵ Ultimately, however, none of this occurred. Just as there was no wave of anti-German sentiment in the United States, West German officials later realized that a non-apologetic approach to the Nazi past and the commemoration of the Holocaust had the potential to strengthen transatlantic relations and Germany’s international reputation in general.

What both episodes suggest is that even developments that worried transatlanticists in both West Germany and the United States at the time do not have to permanently damage transatlantic relations. They might therefore serve as a reminder not to despair in light of recent poll numbers, which suggest a record-level mistrust felt by Germans toward the United States.²⁶ That distrust, however, necessitates strengthening ties between civil society actors on both sides of the Atlantic, as several Transatlantic Dialogue participants have suggested. These ties would also remind the German public that the current U.S. administration is not representative of American society.

Notes

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² Mary Nolan, *The Transatlantic Century: Europe and the United States, 1890-2010* (New York: Cambridge University Press, 2012).

³ *Ibid.*, 331.

⁴ Andrew I. Port, "To Deploy or Not to Deploy: The Erratic Evolution of German Foreign Policy since Unification," in *United Germany: Debating Processes and Prospects*, Konrad H. Jarausch, ed. (New York: Berghahn Books, 2013), 267-277.

⁵ Jeffrey Herf, "Berlin Ghosts: Why Germany Was Against the Libya Intervention," *The New Republic*, March 24, 2011, <https://newrepublic.com/article/85702/germany-libya-intervention-qaddafi-merkel>

⁶ Jacob S. Eder, *Holocaust Angst: The Federal Republic of Germany and American Holocaust Memory since the 1970s* (Oxford: Oxford University Press, 2016).

⁷ Mary Elise Sarotte, *1989: The Struggle to Create Post-Cold War Europe* (Princeton: Princeton University Press, 2014), 126-129.

⁸ Heather Cox Richardson, *To Make Men Free: A History of the Republican Party* (New York: Basic Books, 2014), 261-280.

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MIND THE TECHNOLOGY GAP: THE IMPORTANCE OF TECHNOLOGICAL LITERACY AMID TRANSATLANTIC STRIFE

THOMAS HANLEY

The transatlantic alliance is showing unprecedented signs of cracking. Since President Donald Trump's election in 2016, it has been nearly impossible to find major policy priorities where Europe and the United States agree. Mr. Trump even questions why the United States is so closely aligned with Europe in the first place, and has named the European Union (EU) one of the United States' greatest "foes."¹ His disdain for the European Union is no secret, but his most consistent object of derision has been Germany. In response, German chancellor Angela Merkel has said that Europe can no longer "rely on the superpower of the United States,"² while German foreign minister Heiko Maas has pointed out that even the very foundation of the transatlantic alliance—a consensus on shared values—"has come off the rails."³ Despite this cleavage, Germany and the United States continue to face similar threats. In looking to the next generation, one of the greatest challenges will be ensuring both American and European societies are aptly prepared for a world dominated by new technologies. Technology is at the heart of many challenges in the twenty-first century: confronting China, defending democracy from foreign influence, or even ensuring a basic civic trust within society. Technologies such as artificial intelligence (AI), deepfake videos, data mining, and 5G are only going to become more important in the future. Frighteningly enough, most legislators are not prepared to embrace this reality. In the United States, Senator Orrin Hatch became perhaps the most meme-worthy example of a pervasive technological illiteracy among policymakers when he asked Mark Zuckerberg, "How do you sustain a business model in which users don't pay for your service?"⁴ In Germany, the recent debate over whether Chinese technology should

be excluded from the country's 5G network has shown policymakers' inability to grasp the complexities of the technology in question. On both topics, German and American government officials desperately require technological assistance.

Yet this is only half the story. While policymakers in the West may be struggling to understand emerging technologies, countries like Russia and China are not. And they are increasingly exploiting these technologies to their advantage. Technological illiteracy is an internal vulnerability that has exacerbated external threats to Western democracies. This merits action. And while substantial transatlantic policy cooperation is unlikely considering the current state of the relationship, there is still plenty of room for lower-stake cooperation. Transatlantic enthusiasts would be wise to channel their efforts here. One such lower-stake solution would be to empower and deepen cooperation between government institutions devoted to promoting technological expertise among legislators, specifically offices of technology assessment. Cooperation on this front has an actual chance for success, and would ensure policymakers are appropriately informed to weigh the tough political dilemmas of tomorrow.

Emerging Tech Threats

The role that technology plays and will continue to play in society necessitates that politicians adequately understand it. However, an even more pressing motivation is the fact that countries like Russia and China are well positioned to exploit this knowledge gap. In both countries, power is concentrated in a much smaller number of governing elites—and these elites are technologically astute.

Both countries have proven that they are quite capable of understanding technology's potential—and using it to their advantage.

In Russia, Vladimir Putin dominates the political landscape, directing both foreign and domestic policy. One of the ways he has been able to influence Western domestic politics is through disinformation campaigns. Putin was quick to recognize the dark potential of Western social media platforms. Disinformation operations were taking place within Russia as early as 2011, following anti-Putin protests.⁵ Since then, the effort has been exported and has targeted every NATO member state.⁶ In the United States, the 2016 presidential election was the apex of a targeted campaign by the Russian government to manipulate U.S. voters through Facebook, Instagram, Twitter, and Youtube. Its ultimate design was to polarize the American electorate by “spread[ing] sensationalist, conspiratorial, and other forms of junk political news and misinformation to voters across the political spectrum.”⁷ This is, of course, nothing new for Europe, particularly Germany. As early as 2014, Moscow was using social media networks and comment sections to peddle pro-Russian messaging throughout the German populace.⁸ And in the lead up to the May elections for the European Parliament, Russian efforts on German social media have focused on bolstering support for EU-skeptic parties such as the Alternative for Germany (AfD),⁹ while at the same time amplifying messages from left-wing anti-fascists to exacerbate internal tensions.¹⁰ Yet these tactics have not been nearly as successful in Germany as they have been in the United States—partly because of the U.S.’ inability to recognize what was happening. U.S. intelligence officials were aware that Russia had successfully used social media as a propaganda tool both domestically and in Ukraine, yet it took them at least two years to realize that similar efforts were being deployed in the United States.¹¹

While Russia has shown a keen ability to exploit Western social media platforms, the more formidable threat comes from China. Recent concerns about the implications of including Chinese technology into Western supply chains is a case in point. Particular focus has been given to Western

critical infrastructure technology, such as the technology used in 5G networks. The West's growing dependence on Chinese technology is a direct result of the Chinese government's “Made in China 2025” initiative, a concerted effort by the Chinese government to become a global high-tech leader. In combining technological innovation with subsidized pricing, Chinese technology has become a very attractive alternative to its Western competitors in the American and European market. The suspected predatory nature of such technology has to do with its security implications. In Africa, Chinese technology was used to build the computer network for the African Union. The network included a backdoor that allowed China to download and transfer confidential data back to Beijing for nearly five years.¹² Additionally, many in the West point to a 2017 Chinese intelligence law which stipulates that “all organizations and citizens shall, in accordance with the law, support, cooperate with, and collaborate in national intelligence work, and guard the secrecy of national intelligence work they are aware of.”¹³ Law or no law, every Chinese company and citizen is at the behest of the Chinese Communist Party (CCP) leadership. But the law conveniently provides written proof that Chinese technology could be used as a tool for the CCP to gain critical access to Western infrastructure, data, and information. And as China marches on toward 2025, its close relationship with its tech companies will ensure its leaders retain a technological literacy—because their relationship requires it. In the Chinese political system, Chinese technology companies are essentially arms of the government. These companies “are increasingly co-opted into national policy,” and “have even been assigned roles in government strategy documents,”¹⁴ which necessitates a deeper knowledge.

Both Russia and China have a dangerous acumen for utilizing technology as a geopolitical tool, and this constitutes a real challenge for transatlantic policymakers. Ultimately, open societies like Germany and the United States will always be more susceptible to external threats than countries like Russia and China. But openness and freedom have always been worth fighting for, making it critical that we are prepared to continually do so. Ensuring policymakers in the United States and

Germany possess a deep technological literacy is paramount to inspiring the informed political debate necessary to combat this challenge.

Combatting Disinformation on Social Media

Western attempts to properly comprehend and subsequently regulate content on social media platforms have fallen flat. This is most glaring in the United States. The U.S. regulatory environment provided ideal conditions for the Russian campaign to succeed. The United States' 1996 amendment to the U.S. Communications Decency Act chose not to hold social media platforms responsible for content published by third parties (with exceptions for illegal content such as violence, child pornography, or copyright infringement). Third parties—such as public authorities—are the ones required to notify the social media platform of its content's illegality.¹⁵ While the U.S. government could have hardly foreseen the vulnerability social media would constitute to open societies, its susceptibility to Russian disinformation is now clear and present. Yet little has been done to update the lax regulatory environment. Instead, the policy prescriptions to address Russian disinformation have presented real questions over whether policymakers understand the evolving nature of the disinformation threat.

The focus of the U.S. response has been on efforts to increase transparency over who buys political advertisements on social media platforms. The Russian Internet Research Agency (IRA), the Kremlin-backed troll factory weaponized in Russian disinformation campaigns,¹⁶ was well known to have used ads on both Facebook and Google to advance its goals.¹⁷ U.S. legislators believe that increasing transparency about those advertisements will help counter interference efforts. This legislation is entitled “The Honest Ads Act,” a bipartisan bill which would require all digital platforms with 50 million or more monthly users to keep a public file containing the details of all election-related communication purchased by a group or entity that spends over \$500 on the platform. Senator Amy Klobuchar, one of the bill's sponsors, released a statement arguing that the legislation is

meant to “protect our democracy and prevent this kind of [foreign] interference from ever happening again.”¹⁸ Increased transparency is always a worthy endeavor, and the legislation will prove useful in pulling political advertising out of the dark. Yet its characterization as being a solution to curb foreign interference is indicative of an inability to understand how Russian actors' use of the technology is changing. The ads purchased during the run-up to the 2016 election were primarily bought from Russian IP addresses and paid for in Russian rubles.¹⁹ The Honest Ads Act is meant to expose that behavior, and thus make it more difficult for disinformation campaigns to fool unsuspecting viewers.

Unfortunately Russian tactics are, again, ahead of U.S. policy prescriptions. Facebook has already indicated that since the 2016 election, the Russian IRA-linked accounts “have used VPNs to hide their locations and paid third parties to purchase ads on their behalf.”²⁰ If Facebook cannot track those efforts, a public file is useless for countering Russian interference. Additionally, an extensive report from the University of Oxford on the IRA's use of social media in the United States demonstrated that “the most far reaching IRA activity is in organic posting, not advertisements,” and showed that those efforts “increased substantially after the [2016] election.”²¹ Therefore, the U.S.' current legislative approach is not focusing on the crux of the problem. As Claire Wardle, executive director of First Draft, a nonprofit organization based at the Harvard Kennedy School that combats disinformation, has noted, “at a policy level, the conversation that people are having is based on what happened in 2016. The challenge is that politicians have almost no knowledge of how these platforms actually work.”²² It is a case of the regulatory dialectic, a term coined by Professor Edward Kane in the 1980s describing the way in which “financial institutions found innovative ways to circumvent regulations designed to restrict their behavior.”²³ We are seeing this dialectic in action when it comes to attempts to regulate disinformation online: nefarious Russian actors are showing the same innovative spirit in their navigation of Western social media platforms. Without a better understanding of the platforms themselves, U.S. policymakers are

doomed to always be one step behind.

5G

In Germany, no issue has divided Berlin and Washington more than the question of whether including Chinese technology into Western 5G networks constitutes a security risk. 5G will revolutionize everything from manufacturing to kitchen toasters, and enable other more complicated procedures that require instantaneous data transmissions—like self-driving cars and remote surgery operations. Some have gone so far as to liken the potential effect of 5G to that of electricity in enabling unseen levels of industrial productivity.²⁴ Securing the network is therefore critical. Yet, if Germany's risk assessment and subsequent debate has been indicative of anything, it is that government representatives do not adequately understand the technology they are attempting to secure.

Huawei, the main Chinese technology provider, has a distinct advantage in that Chinese technology is already deeply embedded in the main German telecommunication providers' 4G network infrastructure.²⁵ This means that upgrading to a 5G network with European or South Korean technology would first require removing the existing Chinese infrastructure from the 4G network in order to install the new infrastructure. This is widely believed to be a very expensive and time-intensive process. Which, combined with Huawei's subsidized pricing, provides clear financial incentive to continue using Chinese technology in Germany's 5G network. This point is central to the German government's rationale in allowing providers that rely on Huawei infrastructure to be included in the 5G auction.²⁶ Yet this point is devoid of any substantive technological understanding, because hard facts on the subject do not exist. To date, there has been no public government reporting outlining the costs and deployment delay of switching out Huawei technology. It may well prove to be more expensive and time-intensive, but it is thus far unclear and such an important decision cannot be made on mere speculation. In fact, globally this argument is almost exclusively substantiated with rather generic figures and vague time estimates compiled by the telecommunication firms them-

selves—which have every incentive to keep costs low by using their existing Huawei infrastructure in building Germany's 5G network.²⁷

Yet the ultimate decision not to exclude Huawei is predicated on the belief that any security risks can be properly detected. This too presents a problem. Following the British White Lab model, the German Federal Office for Information Security (BSI) established a Huawei testing center in Bonn where Huawei works in conjunction with government officials from BSI to frequently test their technology for security vulnerabilities. BSI assesses the equipment used by conducting source-code reviews, which entails examining the programming language used to run network gear and screening for possible “backdoors” that would allow Chinese intelligence officials to gain covert access.²⁸ The German government has essentially agreed that this testing guarantees the necessary security to allow Huawei technology to be included in the German network. Yet this decision shows little understanding for the actual technology powering 5G. 5G will be much more dependent on software, compared to 4G, which was more reliant on traditional hardware. It expects to be the first “software-driven network architecture,” as while software-defined networking, or SDN, has been around for years, “its real impact in terms of flexibility and range of services available won't be felt until 5G is more widely deployed.”²⁹ Because of this, the functionality of the system is dependent upon its latest software update.

Therefore, the focus of any testing has to be on software as opposed to hardware. And that testing must continually remain ahead of software updates—which, considering the frequency of potential updates, would be very difficult to maintain. In the United Kingdom, testing centers have already proven to be inadequately prepared. The National Cyber Security Agency's latest report on the country's Huawei testing center has already noted that “software in Huawei equipment tested in [their testing center] doesn't always match software found in products on the market.”³⁰ It would thus be nearly impossible to ensure that every software update is adequately vetted before deployment. Even if inspections did occur, they would take

significant amounts of time and, most often, involve investigating benign updates merely meant to fix bugs. Therefore, the most likely solution would mean “patch inspection and testing would have to be done after deployment,”³¹ which in layman’s terms means that the authorities would be searching for an intruder after they’d already been through the house.

Offices of Technology Assessment

In both U.S. efforts to rein in Russian disinformation on social media platforms as well as Germany’s grappling over whether to include Chinese technology in its 5G network, questionable political decisions highlight a dangerous technological illiteracy. Both Germany and the United States desperately need experts present and available to provide apolitical, timely, fact-based reporting and advice for lawmakers. Traditionally, Offices of Technology Assessment in Europe and the United States have provided such expertise. In the United States, the office was originally set up as a congressional agency in 1972 before it was defunded in 1995 by then-Speaker of the House Newt Gingrich.³² In Germany, the office has existed since 1990, but has been rather ineffective at providing the necessary expertise during critical technological debates. In reinstating the U.S. Office of Technology Assessment, revitalizing Germany’s Office of Technology Assessment, and deepening transatlantic cooperation between the two, transatlantic leaders would possess the necessary expertise to produce cutting-edge policy prescriptions for countering external technological threats, and subsequently be better able to defend their democracies.

In the United States, these efforts should begin with bringing back the Office of Technology Assessment. The purpose of the office was to produce neutral, objective scientific assessments for congressional committees when requested. These were written in close consultation with leaders from industry, policy, and academia “to help Members of Congress understand and plan for the short- and long-term consequences of the applications of technology.”³³ Yet perhaps its most useful function was that its staffers were frequently on Capitol Hill

engaging with lawmakers. The office went beyond mere assessment reports, guarding against technological illiteracy by frequently giving informal advice, testifying before Congress, and frequently commenting on legislation. This was critical, as “the oral communication that occurred between staffers and members of Congress was crucial for promulgating the contents of OTA’s reports.”³⁴ One such example of its influence was a 1984 report that questioned the reliability of polygraph tests. The report led Congress to enact limits on their use by employers.³⁵ Today, any U.S. government research regarding technology is currently housed within the Government Accountability Office (GAO), specifically in its Science, Technology Assessment, and Analytics (STAA) team. Yet STAA is part of a much larger mandate, housed within GAO, which gets about 800 requests from Congress a year (on a large range of topics) and gives priority to reviews mandated by law, conference reports, and then requests from congressional committee leadership.³⁶ This makes it very difficult to ensure that the pressing technological issues are getting the attention they deserve. For this reason, those suggesting reviving the OTA, like Rep. Mark Takano, have argued that the OTA would “be [better] responsive to immediate questions and the needs of members and staff,”³⁷ something that is desperately needed and unavailable within the current structure. Yet more importantly, restoring the OTA as its own congressional agency and untangling technological research from the web of GAO bureaucracy would be an important step toward recognizing the importance emerging technologies and technological literacy holds in an American future.

In Europe, it was not long before countries began taking notice of the United States’ Office of Technology Assessment and copying the model to ensure their legislators were equally informed on pertinent technological developments. In Germany, the Office of Technology Assessment (TAB) at the German Bundestag was created in 1990 to independently advise lawmakers. TAB is operated by the Institute for Technology Assessment and Systems Analysis (ITAS) in the Karlsruhe Institute of Technology (KIT).³⁸ The office is composed mostly of academics and researchers,³⁹ and

produces reports in accordance with an agenda set by the German Bundestag's committee for Education, Research, and Technology Assessment. The office has published over 160 reports since its founding, and most recently has completed studies on autonomous vehicles and energy storage systems.⁴⁰ Yet it has not always been as effective as it should. Its work on 5G is a perfect example. While the German debate has been starved of technological expertise, TAB's report on 5G is expected "at the earliest in 2020," that is, after the 5G auction has been completed, the technology providers have been selected, and the technology is already in use.⁴¹ For this reason, Germany's Office of Technology Assessment is well in need of an update.

Fostering Transatlantic Technological Literacy

In reinstating the U.S. OTA and updating Germany's TAB, these offices should prioritize three points in order to maximize their value. The first is to ensure they are maintaining a presence within the policymaking community. One thing that made the initial American venture so successful was its capacity to provide informal advice by being consistently present on Capitol Hill and engaging with lawmakers. Both offices should be much more than their reports. Cultivating relationships with legislators and their staffers is a necessity. One way to do this would be by giving the offices more say in the research agenda. While Congress and the Bundestag should continue directing the agenda of their respective technology assessment offices, the offices themselves should have an input in that agenda. If it can be assumed that legislators do not adequately understand emerging technologies, they are unlikely to have a sense of which technologies merit closer consideration. This input should in no way supersede the direction of the legislators, but rather help ensure that the agenda stays ahead of impending technological dilemmas. It would help safeguard any potential for repeating the German 5G experience, where the debate is completed before the assessment from TAB arrives. It could also guarantee the offices are focusing on the necessary research questions. For Germany's 5G network, this would include an

extensive analysis of the costs and delay associated with removing Huawei hardware. It would also provide a more extensive overview of the technology's most important elements, to ensure government security testing is adequately suited to 5G technology. Bringing office staffers into the agenda-making process would help build more substantive relationships with policymakers to ensure the effectiveness of these offices' advisory role and better position legislators to gauge technological developments.

Second, and perhaps most importantly, these offices should cultivate private partnerships. In the field of emerging technologies, when it comes to 5G and social media platforms, the experts are most often in the private sector. The West is not doing enough to cultivate these relationships. Google's decision to refuse to work with the Pentagon on artificial intelligence while concurrently building a Chinese search engine is indicative of this reality.⁴² Foremost, there should be a concerted effort on both sides of the Atlantic to bring more actors with industry experience into these offices as staffers. The offices cannot be staffed exclusively with academics. Additionally, the offices should provide a much-needed bridge between government and the private sector. While the relationship between the two is increasingly rather sour, there is nevertheless an opportunity for increased collaboration. For instance, Mark Zuckerberg has asked regulators and governments to work closely with Facebook to ensure they have a more active role over controlling Internet content.⁴³ Yet, tech companies' chief complaint in prior attempts to do so has been that government officials do not fully understand the technology their companies operate. Relying on technology assessment offices to act as an intermediary would help alleviate that concern. Industry professionals would be talking to experts that understand their technology. And having cultivated relationships with the legislators, the offices could provide a trusted neutral platform for encouraging collaboration and understanding between private industry actors and government officials.

Last, despite transatlantic leaders' seeming inability to work with one another, encouraging collaboration

between a newly reinstated American OTA, the German TAB, and other European technology assessment bodies would require little political capital and pay dividends. The current collaborating body is the European Parliamentary Technology Assessment Partners, which has twelve members (including Germany's TAB), and ten associate members (including the U.S.' STAA).⁴⁴ While there is an annual meeting, project collaboration is limited to a database collecting each country's published reports. This collaboration should increase. There should be a more robust exchange of best practices, particularly in how to effectively engage with policymakers in an advisory role. Additionally, more effective collaboration would involve conducting cooperative transatlantic projects addressing technologies that challenge Western democracies. One such idea would be a transatlantic report on Russian disinformation campaigns, focusing first on the technology driving social media platforms and how the Russian technological toolbox has developed in reaction to legislative proposals on both sides of the Atlantic. Considering the national security element to such a project, expanding the partnership to include NATO's Science and Technology Organization would provide the necessary security perspective. This would enhance assessment reports by ensuring research and expertise appreciates the security dimensions that new technologies continually present, and focusing in on transatlantic collaboration would foster cooperative responses to common threats.

Conclusion

Ultimately, addressing the problems of the next generation will continue to be dependent upon understanding emerging technologies. And the future does not look brighter than the recent past. Ongoing efforts to comprehend artificial intelligence have not proven any more inspiring. In the U.S., continuing efforts to regulate biases in AI algorithms have been hampered by how few legislators possess "a deep enough technical grasp of data and machine learning to approach regulation in an appropriately nuanced manner."⁴⁵ And in Germany, experts have criticized the country's AI strategy, noting its "considerable need for further development,"⁴⁶ while the government ministries have

failed to explain what the strategy's allocated funds will be used for.⁴⁷ These technological issues are not going away. It is thus imperative that lawmakers are technologically literate for the future. Russian and Chinese leadership already is, and transatlantic leaders cannot fall further behind. U.S. and European democracies need government institutions prepared to support this process. Reinstating the Office of Technology Assessment (OTA) in the United States and revitalizing its German equivalent (TAB) will go a long way to guaranteeing American and German lawmakers are provided with the timely, informed analysis they require to face these challenges. And in deepening a transatlantic relationship between U.S. and European offices, policymakers will be better positioned to engage one another with a similar understanding of the technological intricacies fundamental to many analogous challenges.

But technological advice can only go so far. The focus of such an effort is ultimately to ensure informed debate. These dilemmas most often come down to addressing fundamental political questions. The decisions over how best to regulate content on social media platforms is closely tied to free speech. Equally, navigating the fine line between ensuring fair business competition and adequately mitigating security risks is something the government is meant to decide. No technological report or advice will supplant that reality. But legislators on both sides of the Atlantic will be ill-prepared to make the right decisions without an extensive understanding of the technology behind the issues they are meant to address. In a time of transatlantic strife, this is something both Europe and the United States can work together to guard against. And as technology increasingly reflects societal values,⁴⁸ perhaps a deeper understanding of technology will help remind transatlantic lawmakers that their values are not as far apart as the current rhetoric suggests.

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THE GEOECONOMICS OF DIGITALIZATION: FUTURE-PROOFING THE TRANSATLANTIC RELATIONSHIP

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The transatlantic relationship is facing a period of growing scrutiny and skepticism in both the United States (U.S.) and Europe. As *The Economist* aptly observed in early 2019, “the Atlantic Ocean is starting to look awfully wide,”¹ and that distance can be seen in areas ranging from disagreements surrounding economic and security policy to debates over the breadth and depth of “shared values.” This perceived growing divide begs the following question: what is the value of transatlanticism today for both the U.S. and Europe?

The transatlantic relationship is, at its core, strategic: a geopolitical arrangement that sought to assist in ensuring the current and future prosperity and security of member states on both sides of the Atlantic. While it has evolved over the years to adjust to changes in the global environment in which it rests, this core geopolitical undercurrent remains. Transatlanticism emerged as a solution for particular challenges the U.S. and Europe faced.

Therefore, I argue that the ongoing significance of the transatlantic relationship stems not only from the core pillars found in transatlanticism of old, but from the ability of this relationship to continue to address emerging and future challenges. One central set of challenges are those posed by digitalization: i.e., the widespread adoption of digital and/or networked technologies and processes alongside the corresponding social, economic, and security transformations that have occurred, are now occurring, and will occur as a result.²

If the continued importance of the transatlantic relationship for both the U.S. and Europe hinges on its ability to address emerging challenges, the broader

question then becomes “what were the challenges it sought to address and what are the upcoming challenges it now faces.” To that end, this paper will proceed in two parts. The first section, “Looking Back,” provides a brief overview of the origin and evolution of the challenges that gave birth to the transatlantic relationship after the Second World War. It serves to emphasize the strategic nature of the relationship and the specific motivations behind the policies and institutions that were deployed. The second and far larger section, “Looking Ahead,” begins with a discussion of the new landscape that this relationship finds itself imbedded within, including a discussion of why digitalization represents an important test case and opportunity for transatlantic cooperation moving forward. This section will also offer a series of recommendations for maintaining geoeconomic cooperation in general and cooperation on issues related to digitalization in particular.

Looking Back

While the primary purpose of this paper is not to provide a detailed history of transatlantic relations, this section provides a brief overview of the motivations behind its inception and the corresponding institutions set up to achieve those motivations after the Second World War. This section serves two purposes: (1) to provide an historical foundation to be referenced in later sections and (2) to reinforce the jointly geoeconomic and geostrategic nature of the transatlantic relationship. This overview is by no means exhaustive, nor is it meant to be particularly detailed.

In the aftermath of World War II, the U.S. and Europe were faced with a decimated global

economy and international order. In cooperation, they sought to rebuild economic prosperity for a series of like-minded countries, set the rules of the road on geoeconomic issues ranging from finance to trade, and address the security threat posed by the USSR. In its very inception, the transatlantic relationship orientated itself around the intersection of geoeconomic and geostrategic concerns.

Efforts to rebuild the Western European economies centered on the implementation of the Marshall Plan. The over \$12 billion in funding served three interrelated purposes: (1) spurring a resurgence of industrialization and increasing investment in Europe, (2) establishing Europe as a vibrant market for American goods, and (3) reducing the susceptibility of Western European countries to a Communist threat, internally or externally.³

U.S. and European efforts to set “rules of the road” in this post-WWII era centered on the three Bretton Woods institutions. The World Bank served as the foundation for policies on finance, the International Monetary Fund (IMF) served as the foundation for global monetary cooperation, and the General Agreement on Tariffs and Trade (GATT) (later replaced by the World Trade Organization (WTO)) was the backbone of a U.S.-led multilateral trading system.

In terms of security policy, the North Atlantic Treaty Organization (NATO) served as the core conduit for American and European collaboration and coordination to address the security threat posed by the USSR. NATO serves as both a political alliance that allows member states to consult on security concerns (Article 4) and a military alliance that centers around mutual and collective defense (Article 5).⁴

Notably, the international environment in which these institutions were embedded did not remain stagnant. For example, the GATT experienced rising deadlock with the rise of the BRICs (Brazil, Russia, India, and China) whose “economic structures and ideology, where the state is a central economic actor, were and are not consistent with the Washington Consensus vision of a limited role for the state in a primarily market driven economy.”⁵

In response, the U.S. and Europe undertook a strategic change in venue from the GATT to the WTO in 1994-1995. By undertaking an institutional venue shift from which other states could not afford to be excluded, the U.S. and Europe were able to undo deadlock in the GATT and continue to pursue their own rules for trade through the new WTO.⁶ Here, the historic transatlantic duopoly found in U.S. and European trade policy successfully continued to set the rules for the global order. The deadlock returned, however, with the failure of the Doha Round and will likely persist given the roadblocks encountered by both the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP).⁷

The security aspects of the alliance similarly underwent a transformation after the fall of the USSR. While questions over the future utility of the alliance were abundant in the immediate post-Cold War period, its organization and mission underwent a series of transitions away from viewing threats as primarily inter-state and kinetic toward the inclusion of intra-state conflict, cross-national terrorism, and cyber conflict.⁸ Given its longevity, it remains one of the “strongest, most successful alliance[s] in history.”⁹

In conclusion, the core motivations for and institutions of the transatlantic relationship have historically centered around joint U.S. and European economic and security interests with varying success. As these interests evolved, so did the motivations of and policies animating the relationship. While analytically we often separate geostrategic and geoeconomic goals and strategies, in practice they frequently overlap and/or are mutually reinforcing. For the U.S. and Europe during this period, economic policies served, in part, security ends and security policies enabled, in part, the success of economic policies.

Looking Ahead

Given the challenges that lead to transatlanticism as a cornerstone of U.S. and European foreign policy, what are the challenges that animate their current geopolitical environment? What opportunities for cooperation exist for the U.S. and Europe

to continue to jointly address emerging and future challenges? This section of the paper examines the current landscape any form of transatlantic relations will find itself embedded within before identifying three opportunities for future cooperation in relation to digitalization.

THE CURRENT LANDSCAPE

While the current landscape is comprised of a myriad of factors, three are of particular note for the purposes of this paper: (1) fraying relations, (2) a rising China, and (3) increasing digitalization.

Fraying Transatlantic Relations

One merely has to have opened a newspaper or an internet browser over the last four to five years to observe a widening gap emerging between the U.S. and Europe. Sound familiar?

- “Today, our historically close relationship with Europe is under strain. Transatlantic partners are concerned that Washington no longer values the relationship and has lost sight of the importance of continuing close collaboration.”¹⁰
- “[C]onfidence is declining faster than capability in the transatlantic relationship. The Trump Presidency has left allies uncertain and concerned while within Europe the rise of the populist right and left has confirmed the need for wide ranging economic, political, and social reforms.”¹¹
- “[T]he shroud of secrecy around [TTIP] has not only strained transatlantic relations and provoked a massive popular backlash; it has also been embarrassingly ineffective at keeping the agreement under wraps.”¹²
- “Europe and America must work to stop their relationship unravelling.”¹³
- “Europe’s fragile peace deal with the U.S. on trade is at a breaking point.”¹⁴

- “Beijing’s financial and military inroads into Europe are calling into question America’s traditional assumptions about Transatlantic cooperation.”¹⁵

- “[S]everal EU states joined China’s new Asian Infrastructure Investment Bank (AIIB). They did so despite significant US disapproval.”¹⁶

- “Germany, which had already announced that it will fall significantly short of NATO’s defense spending goals, annoying the United States, risks provoking Washington further by failing to reach even its own slimmed-down target.”¹⁷

While much of the coverage focuses on signs of a weakening transatlantic relationship, core historical components of transatlanticism persist. Also persisting are the deep economic ties between the U.S. and Europe. According to the U.S. Chamber of Commerce, in 2019 “the economic relationship between the U.S. and Europe remains by far the largest on earth. [...] Over \$3.75 billion in goods and services is traded across the Atlantic every single day. No place in the world has attracted more U.S. foreign direct investment (FDI) than Europe, and Europe remains by far the largest source of investment into the United States.”¹⁸ While it is easy to identify emerging fault-lines, it is equally important to recognize that core, shared interests and cooperation remain.

Transatlantic Relations and a Rising China

Concern over a widening gap between the U.S. and Europe has been accompanied by concerns over the political and economic rise of China, a country increasingly “playing the role of the junior superpower.”¹⁹ Notably, the significance of a rising China for the existing world order and its institutions is rarely, if ever, contested. Though, the specific, potential consequences of their rise remain hotly debated.

Recently, China’s strong economic performance in the 2008-2009 Great Recession has shone an even brighter spotlight on this issue.²⁰ Economically, China has expanded its percentage of global GDP faster than any other rising state

from 1870 to present²¹ and in 2013, China's GDP represented 14.9 percent of the world economy.²² According to the World Bank, China is now the world's second largest economy, has "the fastest sustained expansion by a major economy in history," and since 2008, has been the largest single contributor to world growth.²³

In addition to its economic might, China's navy and air force are rapidly expanding their reach, providing increased force projection capabilities regionally and globally.²⁴ In both the 1990s and 2000s, China tripled its military outlays. This is a trend we are not likely to see reversed. In fact, the Pentagon noted in its 2013 white paper to the U.S. Congress that China has the "fiscal strength and political will" to sustain this effort.²⁵ Using both economic and military measures, China is uncontestedly rising.

Notably, digitalization represents a core component of, as well as an important outcome from, China's rise. The McKinsey Global Institute reported in 2017 that, "China's digital transformation is already having a profound impact on its own economy, and is likely to have an increasing influence on the worldwide digital landscape."²⁶ This impact is already being felt as emerging debates around the implementation of artificial intelligence (AI)²⁷ and 5G²⁸ center around China.

Transatlantic Relations in an Era of Digitalization

Digitalization represents the third and final trend of note facing both the U.S. and Europe. This trend is also the focus of the forthcoming policy recommendations in the final section of this paper. Given the international environment the U.S. and Europe find themselves in, why is it useful to focus policy recommendations in this paper on questions of digitalization? Digitalization represents a central test, and an important opportunity, for the transatlantic relationship for three reasons.

The depth of its economic impact: The effects of digitalization touch on economic activity at multiple levels. It impacts the ways in which industries are structured and how companies compete domestically and globally. Germany's Industrie 4.0 is one

effort to address this reality.²⁹ Digitalization also gives birth to entirely new industries and economic sectors within and across countries, such as the emergence cybersecurity firms and ecosystems.³⁰ In terms of international cooperation and coordination, it impacts the types of goods and services and their role within international trade and investment, as evidenced by the inclusion of the digital trade chapter in the newly negotiated United States Mexico Canada Agreement (USMCA).³¹ It also impacts who develops and sets the standards for significant emerging technology and infrastructure, such as 5G and the corresponding concerns over Chinese telecommunication equipment makers. Even when examined through the lens of economics and geoeconomics alone, the implications of digitalization for countries' domestic and international politics are vast.

The breadth of its impact: The impact of digitalization extends far beyond economic considerations into all aspects of the transatlantic relationship. This takes two broad forms.

First, it spans a wide range of areas of concern to both the U.S. and Europe. It touches on privacy and the tradeoff between privacy and security.³² It touches on how countries fight wars, avoid wars through low level conflict, carry out espionage, and provide security for their populations.³³ It modifies how information is shared, debated, and altered. Digitalization, including the evolution of cyberspace, "underpins the daily functioning of critical infrastructure and vital services, governments and regional organizations, democratic institutions and public media, as well as militaries and businesses alike."³⁴ The breadth of what digitalization touches is staggering and with ever increasing networked devices, it is also deeply interconnected and interdependent.

Second, it intersects with other specific emerging challenges both the U.S. and Europe face, such as the aforementioned rise of China. Digitalization has been both a vehicle for China's economic and political rise and now also an area of geopolitical jostling, e.g., concerns over 5G development and the implementation of AI technology.

The evolution of the space: The economic, social, and political implications of increasing digitalization are not hypothetical nor are they fully realized. Just as the impact is evolving and emerging, so too are the norms, standards, best practices, agreements, and organizations/institutions that govern—or at least provide structure beyond those intrinsic to the technologies themselves—in this space at both the national and international level. The landscape emerging from digitalization is, at the moment, closer to the Economic Wild West than the structure imposed by the post-WWII Bretton Woods institutions. As such, it represents an important frontier for transatlantic cooperation and coordination. A frontier that is increasingly shaping the economic and security successes and failures of the U.S. and Europe.

In conclusion, digitalization simultaneously represents an important opportunity or a potential stumbling block for transatlantic relations moving forward. The combined depth, breadth, and evolution of this space place is at the center of the evolving landscape that the U.S. and Europe now find themselves in.

Just as the transatlanticism of the post-WWII and Cold War period sought to address the international environment the U.S. and Europe found itself embedded within, so too must the transatlanticism of today. The utility of transatlantic relations going forward, therefore, will rest upon the ability of the U.S. and Europe to jointly engage on and address these emerging challenges.

OPPORTUNITIES FOR COOPERATION WITHIN CONFLICT

Despite the changing circumstances within which the U.S. and Europe find themselves, and in some instances due to those changing circumstances, there remain key areas for potential cooperation and joint engagement. This section lays out three broad recommendations for maintaining the importance of the transatlantic relationship going forward. Under each of these recommendations, I offer a geoeconomic example located within the scope of digitalization.

While this section will reference specific geoeconomic areas for cooperation centered around digitalization, the recommendations laid out here can be translated in the future to a far broader range of issues and opportunities. This includes those found in geostrategic and domestic conversations surrounding digitalization as well as geoeconomic conversations more broadly. In short, the analysis provided in this report can and should travel.

Build Off Existing Foundations

The transatlantic relationship has an almost seventy-year history of cooperation and coordination. This history can and should be leveraged to begin to address emerging and future challenges.

Recommendation: Leverage prior transatlantic joint engagement in trade and investment to set rules of the road for the digital economy.

Joint engagement on trade and investment has been a cornerstone of the transatlantic relationship beginning with the GATT post-WWII and evolving into the WTO. Today, transatlantic trade and investment continues to remain central to the growth of economies on both sides of the Atlantic (see figure).

Notably, the digital economy continues to make up both a larger share of transatlantic trade as well as generate increasing economic value for both the U.S. and Europe. According to a 2016 McKinsey Global Institute report, “flows of



data and information now generate more economic value than the global goods trade.”³⁵ In fact, while the U.S. economy as a whole has grown at an average annual rate of 1.5 percent from 2005 to 2016, the digital economy’s average annual rate of growth was 5.6 percent over that same period.³⁶

Yet, given continued deadlock in the WTO, the rules of the road in the global digital economy remain largely unsettled. The recently negotiated but not yet ratified USMCA contains the first “digital chapter” in a trade agreement.³⁷ It borrows from the TPP’s electronic commerce chapter: addressing duties on e-products, intellectual property protections, data localization, copyright liability for internet service providers, and personal data protection (or privacy).³⁸

The U.S. and the EU continue to have a shared interest in setting the rules of the road in emerging areas of trade and investment. Transatlantic cooperation in this space would create important economic leverage for setting global rules while also preventing other states with diverging visions for trade in general, and the digital economy more specifically, from setting those rules for us. However, “the USMCA is neither a transatlantic deal nor a biproduct of the Transatlantic Duopoly.”³⁹ Given the current centrality of the digital economy to the transatlantic economies, and the reality that its importance is only likely to grow, the U.S. and Europe should focus their attention on extending prior joint engagement to address emerging and future areas for joint engagement.

Do Not Lose Sight of the Forest through the Trees

It can be all too easy to become bogged down in tactical and operational facets of particular issues, which are often complex both in terms of diagnosing the problem and in terms of identifying politically viable solutions. However, these narrower issues are part of a larger geopolitical picture that should remain at the forefront of transatlantic cooperation. In discussions of potential solutions, areas of disagreement should be identified in a structured, intentional manner to avoid unintentionally undermining those shared goals.

Recommendation: Create a regulatory dialogue to avoid balkanization of cyberspace.

The economic and social benefits of cyberspace are derived from its function as “a globalized network of networks.”⁴⁰ A core shared transatlantic goal, therefore, is to maintain its structure and function. However, there are also competing public interests: notably, security and privacy. Who will set the rules on data privacy and security? And where will these rules take effect?

With the knowledge that if like-minded countries do not set standards in this space other non-like-minded countries may do so, the European Union has moved forward with a series of regulatory frameworks to set the rules of the road in cyberspace. One central example is the General Data Protection Regulation (GDPR). GDPR has taken an important step toward centering privacy concerns in our approaches to digitalization. But it has also opened the door to the other regional or national articulations of privacy regulations. In so doing, it provided an opportunity for those articulations to potentially balkanize cyberspace by placing untenable burdens on companies that span multiple countries, regions, or regulatory blocs.

National or regional solutions to balancing competing concerns in digitalization can have the unintended consequence of undermining the original benefits of digitalization to begin with. However, opening a transatlantic regulatory dialogue is an important first step toward balancing the benefits and harms, while avoiding the deployment of a myriad of solutions leading to increasing balkanization. A dialogue should, and can, identify core areas of agreement as well as disagreement and when possible, prioritize complementary or nested standard setting when disagreements arise.

Embrace the Intersections

The transatlantic relationship has historically existed within a series of intersections: at the nexus of strategic and economic interests and approaches, across and between various levels of cooperation and coordination ranging from state institutions to sub-national actors, and within the

interplay of core global dynamics that can alter or reinforce each other. Future opportunities for joint engagement should be similarly situated.

Recommendation: Approach 5G as a multi-faceted issue. It is not Huawei or the highway.⁴¹

5G, the “fifth generation” of mobile network technology, brings with it significant increases to bandwidth and the number of connections while decreasing latency. In other words, 5G means faster connections and larger capacity. But why does this matter? 5G is broadly significant because of the role it plays in enabling “next-generation digital applications that require highly reliable, near-instantaneous access to massive amounts of data.”⁴² In other words, “5G is what will make driverless cars, smart cities, and other large-scale applications of connected devices feasible on a commercial scale.”⁴³ It is central to the commercial application of numerous digitalization efforts that center around connected devices and will serve as the future telecommunications backbone.

Importantly, this emerging technology lies soundly at the intersection of economics and security. At its core, 5G is not merely a struggle over the next generation of telecommunications technology or concerns over how to secure telecommunications across distributed supply chains. It is a critical infrastructure, the foundation, upon which future digital societies will depend. This makes the development of and ownership over 5G geopolitically fraught because it finds itself at the epicenter of concerns over a rising China and how to balance economic benefits with security concerns.

As a consequence, 5G has also given rise to a broader geopolitical debate centered around the Chinese company Huawei. 5G has been referred to as a “revolution” and a “titanic struggle over leadership.”⁴⁴ Headlines describe “5G spying,”⁴⁵ “security concerns,”⁴⁶ “potential bans on the use of Chinese technology,”⁴⁷ and “calls for united 5G approaches.”⁴⁸ Alongside these headlines, other articles highlight “staggering infrastructure costs”⁴⁹ and “a lack of viable substitutes.”⁵⁰ As tensions between the U.S., Europe, and China rise, every aspect of 5G has become politicized including

which countries’ companies build infrastructure and how mobile networks will be secured.

Given its broader significance, the U.S. and Europe have an opportunity to address 5G in a holistic manner. Rather than approaching the issue as merely an economic or security question, 5G policy should seek to strike the correct balance between economic and security concerns. This requires an examination of the geopolitical implications of development of and ownership over 5G. At the same time, it requires an examination of the types of security risks that Chinese firms represent in this space as well as, crucially, an examination of opportunities to secure 5G networks across layers (e.g., hardware, software, etc.) supply chains, and end purposes (e.g., for government versus commercial use). Over the long term, it would also necessitate conversations around industrial policy to encourage domestic capacity in future telecommunications innovations and implementations. The lack of such policy has resulted in Huawei holding the most 5G standard essential patents in the world.⁵¹

While we are hearing a constant refrain of “with us or against us” from some, the policy conversation around 5G does not benefit from being boiled down to the oversimplification of Huawei or the highway. It behooves the U.S. and Europe to approach 5G as a multi-faceted issue and to explore a multifaceted and nuanced response.

Note: another example of operating at these intersections can be found in Ines Wagner’s paper in this AICGS report. It addresses the interplay between globalization and digitalization and its impact on the workforce in both the U.S. and Europe. Her analysis also identifies areas for cooperation that look beyond state level government departments and ministries.

Concluding Thoughts

In conclusion, while the U.S. and Europe face a widening political divide across the Atlantic and a changing global landscape, useful opportunities for joint engagement remain. At its core, the transatlantic relationship represents a strategic endeavor

to address specific challenges encountered by both the U.S. and Europe. What began as an effort to rebuild economic prosperity for a series of like-minded countries, set the rules of the road on geo-economic issues ranging from finance to trade, and address the security threat posed by the USSR, must now adapt itself to a new set of challenges. One specific challenge of note is the geopolitical, and more specifically the geoeconomic, implications of current and future trends in digitalization. The ability of the transatlantic relationship to address this emergent landscape will determine, in part, its future importance and utility for both the U.S. and Europe.

Notes

¹ "Europe and America must work to stop their relationship unravelling," *The Economist*, March 14, 2019, <https://www.economist.com/leaders/2019/03/14/europe-and-america-must-work-to-stop-their-relationship-unravelling>

² While debate has centered around how to delineate between a series of terms sometimes used interchangeably (i.e. Digitization, Digitalization, and Digital Transformation), this paper purposefully takes a broad definition of digitalization. It includes topics such as cyberspace and the networks of networks that comprise it; the evolution of computing power, platforms, and artificial intelligence; and the social, security, and economic outcomes these processes shape. This broad definition is useful here given that the purpose of this paper is not to provide a nuanced analysis of all things digital. Rather it seeks to illustrate how digital processes, trends, and biproducts represent an important feature of the current global environment the U.S. and Europe find themselves within as well as a core area for future cooperation and collaboration.

³ "Marshall Plan, 1948," Office of the Historian, Bureau of Public Affairs, United States Department of State, <https://history.state.gov/milestones/1945-1952/marshall-plan>

⁴ NATO's website: <https://www.nato.int/nato-welcome/index.html#basic>

⁵ Melissa K. Griffith, Richard H. Steinberg, and John Zysman, "From great power politics to a strategic vacuum: Origins and consequences of the TPP and TTIP," *Business and Politics* 19:4 (2017): 573-592, <https://doi.org/10.1017/bap.2017.16>

⁶ Richard H. Steinberg, "In the Shadow of Law or Power? Consensus-Based Bargaining and Outcomes in the GATT/WTO," *International Organization* 56:2 (2002): 339-374, <https://doi.org/10.1017/bap.2017.16>

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FUTURE-PROOFING THE WORKFORCE: A GERMAN AND AMERICAN PERSPECTIVE

INES WAGNER

On both sides of the Atlantic, preserving and creating new jobs is increasingly seen in the context of the changing nature of work—what is currently understood as the fourth industrial revolution. For the workforce, this involves three main points: (1) the potential threats to employment from digital technologies, (2) changes in how the workforce receives and continues to obtain education and skills, and (3) debates about the distributional challenges related to issues around the future of work. For example, in the manufacturing industry this revolution is governed by the interplay of advanced manufacturing and information technologies. It promises to enable a significant gain in productivity through the merging of cyber and physical worlds in a so-called “smart factory.” In an effort to strengthen and increase their respective economies and manufacturing sectors, the U.S. and Germany have funded initiatives to spur on this so-called “revolution”: the Advanced Manufacturing Program (AMP) and Industrie 4.0, respectively.

Like the previous three industrial revolutions, the fourth industrial revolution will include changes for the workforce. A central part of this is that people will have to be able to adapt to the new technologies and the organizational changes they imply.¹ Technologies and their remote servicing are likely to play an increasing role in manufacturing. The skill set of the labor force has to be adjusted accordingly to be able to work with new materials, machines, and information.² For both the AMP and Industrie 4.0 it will be of utmost importance to address how the workforce can benefit from changes in technology that affect the working life.

There are thus common challenges surrounding the digital transformation that call for a policy approach helping to not only stimulate innovation, but also to ensure that workers equally benefit from this transformation. In the following, the text will exemplify areas of importance in this regard such as addressing geographical disparities, widening and deepening the collaboration with different stakeholders, addressing continuous learning, and working toward alleviating structural differences.

Encourage Investment to Counter Unequal Geographic Opportunities

The trend toward automation and artificial intelligence has contributed to the concentration of jobs in urban areas in both the United States and Germany, fueling a fundamental economic restructuring. These geographical disparities in economic opportunity, combined with inadequate workforce development, add to the growing popularity of populist parties that draw on feelings of rising economic inequality and mistrust of outsiders.

In both contexts, the big cities are growing more prosperous, while smaller cities and towns in the South and Midwest of the United States and in the East of Germany face diminishing job prospects (with pockets across both countries). Urban areas are home to higher educated and skilled employees and good connections to global markets, while workers in more rural areas struggle to find attractive positions or companies struggle to recruit labor with adequate skill levels.³

A range of policies already exist to address this problem, from corporate subsidies to tax incentives to the creation of enterprise zones (EZs), but they

have shown mixed success so far.⁴ One strategy pursued in the U.S. is the establishment of economic development organizations whose primary goal is to attract job-creating investments. Another important tool is immigration policy. For example, Australia and Canada have established a model that encourages bringing new human capital to places that need it most by providing incentives to new immigrants to locate outside their three major cities.⁵

Moreover, education and skills training at local higher education institutions working in close conjunction with local employers are intrinsic to bringing more investment and job creation to disadvantaged geographical areas. Many of these areas have high/higher unemployment, but they also have strong histories of economic success secured through now-obsolete industries. This could occur through company-educational partnerships to help make economically disadvantaged regions a more attractive place for employers to locate. One of the biggest decisions influencing where to locate for companies is the sought-after level and availability of a skilled and trained labor force. Thus, establishing a pull factor to counter unequal geographic opportunities is one means of distributing the opportunities presented by increases in digitalization.

Create and Deepen Alliances between Stakeholders

How digital work will shape the future of (industrial) work is still rather unclear. In Germany, a key component in creating understanding about how this transformation is taking place and about the needs of the workforce and management is part of the project “Work 2020 in NRW”⁶ funded by the German Federal Ministry of Labor and Social Affairs. In this project, management and labor representatives at the company level aim to promote a forward-looking dialogue between the parties and a proactive company policy on the subject of human-technology interaction. This project relies on a continuous dialogue between the employees’ representatives (the works council), management, technology developers, and project managers. Participating works councils receive

company-specific process support. This includes collaboration with consultants, identification and development of opportunities to shape Industrie 4.0, new forms of employee involvement of and operational professionals, cross-company exchange of experience of works councils, dialogue with scientific experts, and individual qualification offers. The aim is for the works councils to conclude an agreement with their management at the end of the process as to how to proceed with the introduction of processes of human technology interaction in a way that is equitable for both the company and the workforce. This process at the company level goes through three steps.

First, the labor representatives start with an inventory and ask: What changes are there already through digitalization? What are the effects? Is there a future strategy for the implementation of Industrie 4.0 in your company? They find answers by organizing a company tour and workshops with works council and company management and interviewing as many employees as possible, for example. Afterward, the participants compile all the information department by department and create a “company map” on this basis.

Second, the “company map” now provides a clear overview, based on which the works council and management can jointly decide how good and safe work in the company can be maintained and developed. In this step, participants of “Work 2020 in NRW” benefit from the fact that they (1) know relevant fields of action, (2) identify change needs, and (3) formulate possible design approaches.

Third, in the final phase, senior management and the works council agree on concrete steps to take in order to do good work in a digital environment. Ideally, they fix their appointments in a future agreement. It describes how the identified design goals are further processed by the operating parties in a joint and participation-oriented process. Preliminary results from this project show that the cooperation between management and labor leads to a proper evaluation of the skills needed and contributes to a better working atmosphere in the companies where this project has taken place.⁷

The example of this project thus points to concrete measures that can be adapted elsewhere at the company level in order to shed light on and strategize about the needs for the workforce of the future and how these can be met. In addition, the project also points to changes in how cooperation will take place within and across organizations with increased reliance on digitalization. For example, a paper comparing the processes between the United States and Germany describes that team work within the organization as well as cooperation between firms, policymakers, and higher education institutions will increase.⁸ Teamwork is expected to increase because workers will collaborate and communicate without borders as they will be utilizing smart devices that connect them in real-time to their co-workers and workplace tools as needed. The amount of different external parties involved in collaborations is also likely to increase. For instance, cooperation with research institutes, higher education institutions, and parties that are not traditionally considered as suppliers will increase due to the interdisciplinary character of digital production. One case in point already seen today is in the area of digital and remote maintenance.⁹ Here, service providers are able to remotely perform service updates or access robotics systems in a manufacturing plant in order to react to errors right away. The issue of IT security will advance in a similar way, as will human capital, in order to enable the broad diffusion of such cooperation. How this issue relates to cybersecurity is explored more below.

Re-evaluate the Qualifications and Skills Needed

The reality of how work will be performed by labor on the shop floor in the next decades will differ significantly from the situation in today's manufacturing processes. Consequently, the qualifications and skills of labor, which are required to fulfill new tasks, will differ as well.¹⁰ Findings of a survey conducted among German companies show the demand for qualifications is shifting as a result of digitalization in favor of expert and specialist jobs (for workers with vocational training or further training on the job) and high-skilled jobs (for university graduates) and away from unskilled work.¹¹

Employees have also begun to perceive this trend toward more highly-skilled workers. In Germany, four-fifths of workers see a need to continuously develop their skills in order to keep up with higher job requirements.¹² While machines will take over tasks that are easier to program and automate, human labor will mainly be needed for less routine and skill-intensive tasks involving creativity and social interactions.

Findings suggest that in the future jobs will be less physically demanding and instead more mentally demanding, as well as being more varied and complex. One of the side effects of these developments, however, is an increasingly high mental strain on workers.¹³ Around two-thirds of employees believe that new technologies have led to increased workloads, with more and more tasks having to be completed at the same time.¹⁴ In the ongoing initiatives of the Advanced Manufacturing Program and Industrie 4.0, certain areas for joint collaborative efforts can be identified that aim to prepare industry for the technology and workforce demands of smart factories, which are: (1) Tools and Technologies; (2) Organization and Structure; (3) Qualification and Skills. These are not exhaustive but serve as examples and point to possible areas of cooperation.

TOOLS AND TECHNOLOGIES

Through the increasing use of technology, flexibility in the work process will expand. At the same time, the complexity on the shop floor will increase as well. Different forms of smart devices such as tablets, wearables, or phones will provide the worker with the exact information they need in real time or in a certain situation to perform their task.¹⁵ Through these devices the workers are able to control and monitor production processes through the analysis of data and information supported with these devices. In addition to that, new kinds of machines will enter the workspace. The tools on the shop floor will thus change, altering the tools needed for workers to perform their tasks in a notably different way to today's situation.

Automation and intelligent tools, machines, and technologies will advance the need for skilled labor

while the need to perform manual tasks will decrease.¹⁶ Collaborative robotics will be sensitive and intelligent enough to share a work station with humans. For instance, recent research showed that in Germany every robot destroys two manufacturing jobs, but the need for human-robot interaction will increase.¹⁷ The study shows that the “more robot exposed workers are even more likely to remain employed in their original workplace.”¹⁸ However, there are trade-offs: these workers do not necessarily perform the same tasks as before, there are fewer manufacturing jobs for young labor market entrants, medium-skilled workers face earnings losses, and migrant and female workers are more prone to be based in contingent labor.¹⁹ Furthermore, labor productivity rises, but not wages. Not all jobs are at risk, however, of being automated; one estimate suggests that only 9 to 10 percent of all jobs in the U.S. were “automatable” through “automatization and digitalization.”²⁰ Thus, tasks will change according to the exposure to automation or digital devices but the exact extent is unknown. Tools and technologies, which are available to assist skilled labor and not necessarily replace it, have to be related to the responsibility of, for example, the workers in the factory, and the degree to which skilled labor performs manual labor or activities such as planning and supervising has to be determined.

ORGANIZATION AND STRUCTURE

Governed by vertical and horizontal integration and enabled by cyber-physical systems, as well as the Internet of Things, the organization of a factory of the future is predicted to be more flexible, changeable, decentralized, and not as deterministic as the organizations of today.²¹ One profound effect on skilled labor will be the fact that different production areas will move closer together. Workers, capable of working with information and data flow, will work in more than one distinct production area, instead of being bound to one. It is likely that production jobs will be allocated based on the qualifications and skills of workers but the new abilities the workers gain through their smart devices will improve the possibilities for job rotation. While this is true already for many white collar professions, this change is also likely to increasingly affect

workers on the shop floor. The workers on the shop floor will be more organized in different short and long-term teams to focus on solving problems that occur, thus having to be more adaptable and involved in short-term projects. The companies or organizations will provide an ecosystem in which problem solving is done in collaboration with all participating parties on the shop floor and without much influence of a higher hierarchy.²²

Once skilled labor receives more decision-making power and influence, the organization and structure of companies will become flatter. That will not only have an effect on skilled labor, but also on engineers and managers of the lower hierarchical levels as they need to cede parts of their decision-making power.

QUALIFICATIONS AND SKILLS

In relation to the different skill set needed, certain technical and personal qualifications and skills will equally become important. The technical skills will be linked to an interdisciplinary understanding of their organization and processes, as well as the ability to work and interact with modern interfaces and understand data processing and analytics. These skills need to be complemented with knowledge on IT security and data protection.²³ In total, these changes in skill sets will make the workers in the factory more generalist. In addition, social and communication skills as well as teamwork and self-management abilities are likely to gain in importance. This is due to the increase in teamwork on the shop floor and more communicative tasks in the daily job routines. Currently, skilled labor is not necessarily trained in these areas as the content usually does not necessitate their use.

Finally, the issue of workforce development and skills is not only an economic issue, but also a security issue. Human capital is crucial for cybersecurity preparedness,²⁴ since for a cybersecurity infrastructure to work, human capital is needed for its support and development. In the U.S. there is discussion on whether cybersecurity experts should be added to corporate governance bodies of private companies.²⁵ Moreover, governments are also responding to the increasing connection

between workforce development and security. For example, Denmark is the first country in the world to create the position of “technology ambassador.” The position is supposed to resolve issues related to technology, cyber, and privacy as well as to advancing investment in foreign technology and promoting Danish technology abroad.²⁶

Alleviate Structural Differences

In both the U.S. and Germany there are expectations that readjustments in terms of skills and qualifications can be achieved by some parts of the workforce while others may lag behind. The latter group is unlikely to reach a position to meet the growing demands of the labor market—even with further training. As a consequence, income risks and unemployment may increase for this group, presenting a challenge to social policy. Due to a lack of research, however, the extent of this challenge as well as any potential remedies remain underdeveloped.²⁷ How the profits of digitalization are distributed and utilized will thus influence effects on employment.²⁸

Moreover, the unequal impact that digitalization and automation have on sectors is most prominently discussed in relation to manufacturing. However, these changes also run the risk of contributing to existing gender imbalances. In the automotive industry, for example, men may face larger job losses initially than women in certain industries exposed to automation.²⁹ According to a study conducted by the World Economic Forum, “men are expected to recover more from these job losses than women: men will lose about 4 million jobs by 2020 but are expected to gain another 1.4 million, i.e., roughly one job gained for every 2.9 jobs lost. In contrast, women will face 3 million job losses but only 0.6 million gains, or only one job gained for five jobs lost.”³⁰ At the same time, demographic change will increase the importance of the care sector, where women dominate as employees, and where automation is expected to change the world of work. In this sector, however, jobs are notoriously underpaid and undervalued, and sometimes work even goes unpaid—thereby preventing a reversal of current gender inequalities.

Conclusion

Today, humans perform 71 percent of tasks. The latest research from the World Economic Forum forecasts that by 2025, machines will perform more current work tasks than humans.³¹ However, how this division of work is likely to look and how the workforce will adjust is uncertain. While reactions as to how the workforce should be prepared for this possible sea change are different, it is clear that it will affect the labor market in similar ways in the U.S. and in Germany. The topics of automation, AI, advanced manufacturing, and Industrie 4.0 are triggering a further need for research in various areas. While it is hard to predict how technological change will proceed, times of uncertainty and restructuring also create opportunities to strengthen partnerships, exchange best practices, and establish mechanisms to share information vital to the U.S. and German labor markets.

This essay tried to sketch these challenges in relation to the discussion in the Geoeconomics group. So far, research points to significant challenges that will present themselves to workforces in the future when digitalization, automation, and AI continue to affect more areas of work and life. The main recommendations are:

- (1) encourage investment to counter unequal geographic growth;
- (2) create and deepen alliances between stakeholders;
- (3) address the skills and qualifications needed for the future manufacturing worker; and
- (4) work toward alleviating structural differences.

Technological disruptions may not lead to completely replacing parts of the workforce but are likely to substitute tasks previously carried out by workers. This will lead workers to focus on other sets of tasks more intensively. However, stakeholders at the firm level can best drive the process of identifying the specific needs of the firm and the workforce in order to inform policy on how to respond to changes through robotics and machine

learning. Projects such as the “Work in 2020” one discussed above in Germany can help to inform the company level strategy as well as regional and national policy. Exchanges on such initiatives across the Atlantic can help to improve knowledge, to develop human capital in order to deal with transformations ahead, to figure out how to derive qualifications and skills that will become more important for the workforce, and to recommend ways and measures to qualify the workforce for the future against the background of the educational systems of the U.S. and Germany.

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HOW TO BE “WUNDERBAR TOGETHER”: STRENGTHENING THE U.S.-GERMAN RELATIONSHIP THROUGH CIVIL SOCIETY COOPERATION

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In fall 2018, the German Foreign Office, in cooperation with the Goethe Institute and the Federation of German Industries (BDI), launched a “Year of German-American Friendship.” Under the motto of “Wunderbar Together,” the manifold ties between the two countries are celebrated through exhibitions and special events across the United States (U.S.), a few in Germany, and many online. At times of political differences, this initiative to “build more—and stronger—bridges between peoples” comes at a momentous time.¹

Already strained by disagreement on the Iraq War in 2003² and the NSA affair ten years later,³ the relationship between the two states and their citizens has suffered a considerable loss of trust since the 2016 elections in the U.S. The official relationship between U.S. president Donald Trump and German chancellor Angela Merkel and their administrations has been characterized by disagreement and tension, with contention on a variety of issues, including immigration, liberal values, fiscal policy, trade and tariffs, defense spending, climate change, European integration, relations with Russia and China,⁴ as well as politics in the Middle East⁵ and toward Iran.⁶ As a response to President Trump’s continuous—often derogatory—criticism of German policies and his aversion to multilateral agreements, Chancellor Merkel eventually responded with her now famous statement at a party campaign event in Munich, that “the era in which we could fully rely on others is over to some extent [...] we Europeans truly have to take our fate into our own hands [...] We have to know that we must fight for our future on our own, for our destiny as Europeans.”⁷ Other German politicians have been more explicit, such as then vice chan-

cellor and foreign minister Sigmar Gabriel, calling Trump in 2017 “the trailblazer of a new authoritarian and chauvinist international movement.”⁸ Beyond the American president, there has been dismay among German foreign policy experts about Trump’s administration, which seems to be characterized by “constant change, turmoil and self-promotion.”⁹ Also the continuous interference of the American ambassador into German domestic affairs has created consternation among German politicians in Berlin¹⁰; Trump’s negative and often derogatory tweets were met with particularly critical coverage of his first 100 days in office in German news media.¹¹

A deterioration of the relationship, however, is not only visible at the official level; it affects societal attitudes as well, particularly in Germany. According to the Pew Research Center’s Global Indicators Database, after Trump’s election as U.S. president in 2016, favorable views in Germany of the U.S. plummeted from 57 percent to 30 percent (in 2018), and unfavorable opinions on the U.S. jumped up from 38 percent (in 2016) to 66 percent (2018).¹² German views on whether the U.S., when making international policy decisions, takes into account the interests of other countries, such as Germany, dropped to the lowest value (19 percent in 2018) since the beginning of the Pew data series in 2002. That is primarily a result of the views of the new president, whom only 10 percent of Germans trust (in 2018), compared to 86 percent who had expressed confidence in Barack Obama during his final year in office (2016). American citizens’ confidence in Merkel, by contrast, is above 50 percent—higher than ever.

In a recent survey commissioned by the Atlantik-Brücke,¹³ a vast majority of Germans expressed a negative view of the German-American relationship (84.6%) and only a minority perceives it as positive (10.4%). Accordingly, only a minority of Germans consider transatlantic cooperation to be worth striving for to find solutions to international crises that are perceived as particularly dangerous, such as the rise of right-wing populism and protectionism (31.1 percent of Germans consider them to be dangerous, but only 3.4 percent think that transatlantic cooperation would be useful to find solutions to the problem) or increasing migration (18.6% vs. 7.5%). According to this survey, Germans see the most potential for transatlantic cooperation in the Middle East, such as in Syria, Iran, and Turkey (18.8%); however, only 9.5 percent of Germans regard these crises as important security threats. Overall, a majority of Germans surveyed (57.6%) argue in favor of a stronger distancing of Germany from the U.S., only 13.1 percent wish for a closer relationship, and 26 percent want to maintain the current form of relations. Confidence among Germans in the U.S. as their main international partner has vanished: 42.3 percent of Germans think China is a better partner than the U.S. and only 23.1 percent still think of the U.S. as a more reliable partner than China (34.6% are undecided).

Other recent surveys reveal that many Germans even perceive the U.S. under President Trump's leadership as the greatest threat to the interests of other countries, including Germany, and to global stability, ahead of Turkey and Russia,¹⁴ and even North Korea.¹⁵

Perceptions of Germany in the U.S., by contrast, have remained positive. According to a survey commissioned by the German Embassy in the U.S.,¹⁶ positive views have even increased since 2003 to now 58 percent of Americans viewing Germany in a positive light. Almost half of the surveyed American population thinks that Germans like the U.S. and Americans as well; however, there has been a slight drop in this perception from 49 percent to 44 percent since 2016, but only about 20 percent believe the opposite. Almost two-thirds of Americans consider Germany to be a global economic and political power that is modern and

forward-thinking. However, Americans, according to this survey, also understand that relations between Germany and the U.S. have deteriorated. While in 2011, 50 percent had still thought about the relationship as good, values dropped to 38 percent in 2018. Still, far more than half of the surveyed Americans agree that the two countries are key allies and share fundamental interests and values, although they should work together more closely and the political relationship should be stronger. Other surveys of the Pew Research Center confirm this imbalance in how Germans and Americans see each other's countries and the transatlantic relationship.¹⁷ Given the disillusionment of Germans with the U.S. and the transatlantic partnership, it would actually be important to match the German government's efforts of the Year of German-American Friendship with a similar image campaign by the U.S. government across Germany.

However, surveys by the Pew Research Center also illustrate that, unlike at the official political level, there are still many commonalities in how Germans and Americans view international political and economic issues.¹⁸ Therefore, we believe that dialogue, exchange, and cooperation below the level of the state between both societies are more important than ever to regain trust and keep the transatlantic partnership alive. In addition, we argue that governmental actors should not only focus on conflictual issues, but also on common values and responsibilities to revitalize transatlantic cooperation. Engaging with civil society should be an important aspect in both these bilateral and international efforts. However, as we will discuss later in this chapter, it also poses challenges that governments have to remain aware of.

The following essay in this report is based on the discussions that the Society, Culture & Politics group had between fall 2018 and spring 2019. Many of our deliberations resembled those of the two groups from the previous years.¹⁹ Rather than repeating their recommendations, we decided to add new aspects and ideas that our group deemed important. In their variety, they reflect the diversity of the group's expertise in various fields, including transnational politics and social movements; inter-

national norm diffusion; development; geopolitics; international democracy promotion; cultural diplomacy; historical dialogue and memory; gender, sexuality, and politics; religion and politics; and student exchanges. We grouped them around three dimensions: reinforcing bilateral relations, refocusing on joint values, and reconsidering global responsibility. But before we turn to our recommendations, we briefly define the group's understanding of civil society.

Civil Society

We decided to draw on a broad definition of civil society, understood as “the sphere of institutions, organizations and individuals located between the family, the state and the market in which people associate voluntarily to advance common interests.”²⁰ Civil society can consist of a wide variety of organizations and individuals that serve public purposes, including voluntary associations, charities, non-profit and community-based service providers, foundations, non-governmental organizations (NGOs), social networks and movements, advocacy groups, community and self-help groups, as well as managers and employees of these organizations, individual activists, volunteers, and intellectuals. Civil society exists at local, regional, national, and international levels. An active civil society is believed to increase social capital, i.e., to deepen connections and trust between people,²¹ and to constitute a common public space through participation and civic engagement.²² Among its main functions are the representation of a variety of interests that exist in society, right up to influencing the government and holding it accountable, and the facilitation of civic deliberation.²³

There are some areas where the clear demarcation of civil society from the state and the market is difficult due to overlap. One example would be museums, which, particularly in Germany, often are state-funded public organizations that nevertheless serve important civil society functions, such as providing space for public discourse, expression of cultural norms and values, and for civic engagement.²⁴ Another example would be the media, which, on the one hand, is based on market organizations, but also has significant civil society

elements, such as independent media organizations and investigative journalists that uphold the institutions of freedom of the press and freedom of information.²⁵ In addition, while it is uncontroversial in the U.S. that religious organizations are part of civil society, in Germany this view is not undisputed. Due to the constitutional status of the main churches as public bodies, they are often understood as being closer to the sphere of the state, or at least as being given a privileged status superior to civil society organizations.²⁶ Since religious organizations, however, are private organizations that serve important civil society functions, we include them, just like museums and other cultural organizations and the media, into our definition of civil society. Finally, we found that while businesses and the private sector have a role to play in investing in the transatlantic relationship, we decided to refrain from focusing on the corporate sector as a part of civil society.

An important point the group would like to make is that civil society is not necessarily always a vessel for “good.” Even though it often is associated with values and norms such as tolerance, civil society does not have a moral compass. “While the individual voices of civil society are part of a democratic social order, they are not necessarily democratic themselves—nor are they necessarily responsible or tolerant, let alone supportive, of freedom or citizenship for some group or another. Many of the voices are; but civil society includes a great diversity of views [...]”²⁷ Thus, when engaging with civil society to revive the transatlantic partnership, we also have to seek a mutual understanding about what kind of transatlantic partnership we want to forge: one that upholds liberal norms and values, or one that supports xenophobia, misogyny, and homophobia. Our group flagged the polarizing effects that illiberal institutions can cultivate as they too can work outside the realms of government as non-profits and non-governmental organizations.

Acknowledging the underbelly of civil society, our group felt strongly that the good outweighs the bad, especially in regard to existing institutions actively involved in strengthening relations through civil society. Therefore, our recommendations focus on ways that civil society can positively impact bilateral

and international relations given the right resources, mission objectives, and positive driving forces are at work.

Themes and Recommendations that Emerged from Our Discussions

Through our discussions, our group identified gaps within the transatlantic and U.S.-German relationships that civil society could help bridge. We argue that these gaps have been intensified by the current state of bilateral relations as outlined in previous sections and have been exacerbated by the rise of global challengers to the existing liberal order.

Given our group's diverse makeup, we identified common threads emerging from our recommendations: the need to reinforce bilateral relations, to refocus on our joint core values, and to reconsider our global responsibility in the world. These three "R's" outline the following policy recommendations that uniquely correlate with our group's diverse backgrounds, including think tanks, academia, and civil society organizations. We agreed early on that given the scope of issues we identified, that the recommendations should build upon previous years' reports and expand the range of issues that governmental and civil society actors, such as the media, academic institutions, and exchange programs, cultural organizations, grass-root initiatives that deal with minority groups, and development aid organizations, could focus on.

The recommendations aim to address issues affecting the bilateral relationship at multiple levels. Some provide very concrete suggestions while others look at the larger issues at hand. They are structured in the following format: they identify a problem, then formulate goals and present issues affecting the transatlantic relationship, and finally outline several recommendations for civil society and governments on both sides of the Atlantic to act upon.

REINFORCING BILATERAL RELATIONS

The first theme that emerged was the need to reinforce U.S.-German relations. The group identified early on that there were strong levels of distrust

coming from both sides of the Atlantic. According to the results of a recent survey conducted in the United States by the Pew Research Center and in Germany by the Körber-Stiftung, "Americans and Germans have vastly different opinions of their bilateral relationship, but they tend to agree on issues such as cooperation with other European allies and support for NATO."²⁸ Furthermore, stark contrasts on collaboration with each other highlighted that 70 percent of Americans say they want more cooperation with Germany, whereas only 41 percent of Germans share this sentiment, leaving 47 percent of Germans to want less cooperation with the U.S.²⁹ This divergence of opinions can be interpreted in many ways, but what our group saw was an opportunity to find concrete avenues for collaboration that would highlight the values and concerns that both countries share.

*The Need for a New Narrative*³⁰

While remaining strong allies and partners, bilateral relations between the United States and Germany have been notably strained over the last few years. The weakening of bilateral relations has been exacerbated by growing tensions between both administrations as President Trump and Chancellor Merkel have publicly been at odds on several issues, undermining the common values and global objectives that the two countries have shared. The lack of a clear narrative on relations between each country has, in turn, created deep divides at the political and public level on the future of the U.S.-German relationship.

The goal of this recommendation is to create a clear communication strategy and toolkit that emphasizes the short- and long-term goals of the bilateral relationship, finds alternative means of conveying these strategies by using civil society as an effective tool for communicating, and establishes a new narrative. This would, in effect, create a messaging strategy that stresses the importance of a strong bilateral relationship by emphasizing the common areas and values the U.S. and Germany share including rule of law, democracy building, and upholding the post-Cold War liberal international order.

To effectively convey these messages to the public, our recommendation would be to first examine how current organizations engaged in improving bilateral relations (e.g., AICGS, Atlantik-Brücke, Atlantic Council, The German Marshall Fund of the United States, Heinrich Böll Foundation, Konrad-Adenauer-Stiftung, Friedrich Ebert Stiftung, IISS, Carnegie, Council on Foreign Relations, among many others) are effectively using civil society as a platform to strengthen relations and examine their messaging strategy. Second, we suggest reviewing past hurdles within the bilateral relationship, and developing lessons learned and best practices for future messaging strategies, e.g., by using the tumultuous Franco-German relationship as a model to apply toward the current U.S.-German relationship.

Another aspect would be to identify areas where governments, businesses, and foundations can provide financial support or official platforms. This would include reviewing the mentioned Year of German-American Friendship and examine the long-term effects of this initiative, which can provide insight on reciprocal programs that could be developed from the U.S. side in the future. In addition, by utilizing innovative platforms to promote these strategies including social media, influencers, grass-root initiatives, and transatlantic conferences, civil society can be an effective tool to communicate between the government and the public and help improve public perception on the U.S.-German relationship.

Increase U.S.-German Youth Exchanges³¹

Exchanges are successful avenues to break down barriers to cultural understanding. Youth exchanges have the ability to open and expand a young person's perception of the world and can create exposure to new interests and global engagement that may not have been fostered otherwise. The goal of this recommendation is to identify platforms and opportunities for exchange and cross-learning that yield a low financial impact but can produce a long-term effect.

A recent study noted that the number of German high school students coming to the United States

as part of formal exchange and study abroad programs is declining.³² This is leading to a lack of first-hand exposure to the United States and decreasing the likelihood of future exchanges or interest in the country. On the other hand, the latest data shows that the number of American students studying at German universities as part of exchanges or degree programs is increasing.³³ Leveraging this growth, this recommendation suggests to build civil society networks that connect American university students in Germany with German high schools—similar to the “Germans for Hire” program run by the Goethe Institute in the United States, in which middle and high school teachers can invite German university students into their classrooms to discuss German life, culture, and history, as well as current events, with American pupils.³⁴ Potentially naming it “The American Friend Program,” it could send American university students to German high schools to bring Germans into contact with Americans and forge similar discussions in German classrooms. A similar concept called the “Rent an American”³⁵ program run by the German American Institute Tübingen, organizes “Conversation Visits” where students get an insight into a day in the everyday life of a U.S. student on various topics.

A potential partner could be the Association of International Educators (NAFSA),³⁶ a non-profit organization with members in nearly all U.S.-based study abroad programs, to gauge interest and identify program champions. In Germany, the Pädagogischer Austauschdienst (PAD) of the Kultusministerkonferenz³⁷ could use its network of high schools to gauge German interest and identify program ambassadors. The Goethe Institute could provide advice and lessons learned from “Germans for Hire” that can feed into a reciprocal initiative by the United States or civil society actors engaged in this space. Finding financing streams for these programs would and could be minimal, ranging from staffing or volunteers, website, network hosting, trainings, and travel cost reimbursement for students—but the costs would likely be low in the larger scheme of governmental programming. Investing in this kind of exchange platform by simply placing U.S. university students in contact with German high school students to foster

dialogue and exchange on various issues could create more synergies and foster new cultural connections in young people that could have lasting impacts in the years to come.

*Promote Transatlantic Dialogue between Immigrant Organizations*³⁸

Today's relationship between Germany and the U.S. has been significantly shaped by on-going issues that have affected both sides of the Atlantic, such as immigration. In this context, the voices and concerns, as well as the potential contributions of the growing minority and immigrant populations in both countries—which will only gain in political significance in the future—have been largely neglected.

The goal of this recommendation is to initiate and promote transatlantic dialogue between representatives of immigrant organizations and organizations representing the interests of minority groups, ranging from large national organizations, such as the German *Bundesarbeitsgemeinschaft der Immigrantenverbände*³⁹ (BAGIV) or the U.S. National Alliance of Latin American and Caribbean Communities (NALACC), to local community groups. By creating funding opportunities, governments, businesses, foundations, and other civil society organizations can create a framework within which representatives of organizations of minorities and immigrants in the U.S. and Germany can meet and discuss issues of shared concern.

First, this recommendation serves to include a new and growing set of actors into the framework of transatlantic relations and thus contributes to building a new and sustainable structure for the transatlantic partnership. Second, the exchanges between immigrant and minority groups across the Atlantic can contribute to re-defining the narrative and rationale for a close alliance between Germany and the U.S., as it will provide a forum for issues of shared concern that have so far not been sufficiently addressed in the existing transatlantic channels. Third, the recommendation intends to shift the discourse away from approaches that highlight “integration,” which contribute to the “othering” of minorities and immigrants, to an approach that

actually serves to empower these groups and give them more agency. In the long run, this will help to reduce stereotypes and xenophobia more generally and strengthen the values that the U.S. and Germany share.

REFOCUSING ON JOINT VALUES

Despite a growing values gap between Western Europe and the U.S.,⁴⁰ there are certain foundational values that most citizens on both sides of the Atlantic still share: the belief in democracy as the best political system and the respect for individual rights. Working together on these values, including promoting them and their civil society advocates abroad, provides opportunities for transatlantic cooperation despite contention on other political issues. However, these value-oriented efforts also involve challenges that governments need to be aware of when following this route.

*Jointly Tackle “Shrinking Civic Spaces”*⁴¹

International democracy and human rights promotion are foreign policy endeavors that both the German and the U.S. governments have espoused for decades. However, these efforts have been met with challenges in recent years, including the global phenomenon of “shrinking civic spaces”: an increasing tendency of (not only) authoritarian governments to restrict civil society activity by, among others, legal restrictions such as burdensome registration requirements or curtailing (foreign) funding options, defamation campaigns, harassment, and threats to property and life. External actors in pursuit of democracy and human rights promotion have bemoaned the loss of partner organizations “on the ground” but have often also been themselves restricted by the loss of work permits and visas, foreign funding restrictions, and harassment.

As a response to these (and other) problems, the U.S. and German commitment to international democracy and human rights promotion has visibly lessened. The transatlantic partners should recommit to this joint practice and increase cooperation, albeit with adjustments. This would require assigning resources to promote the key ingredients

of the liberal-democratic world order and supporting others in their attempt to establish and strengthen democratic rule in their societies, as well as recommitting to the projection of those values that have tied together—moreover: defined—the transatlantic relationship to strengthen the foundations of this relationship, which is currently under strain.

In light of the phenomenon of shrinking civic spaces, the following recommendations should be considered:

(1) The U.S. and German governments should refocus their goals and strategies to promoting key ingredients of democratic governance, such as strengthening basic political and civil rights, rule of law, statehood, etc. But they should abstain from formulating the often overstated goals of pro-democracy rhetoric.

(2) At the same time and at the very minimum, the transatlantic partners should re-examine their foreign policies in terms of “doing no harm” as concerns democratic progress in other countries. Both governments have been acquiescent to and even supportive of severe civil society restraints in other countries when it served other interests. An example is the strong support that Egypt receives from the U.S. and Germany despite its dramatic development in terms of civil and political rights.

(3) The U.S. and German governments should rekindle joint avenues for exchange not only on democracy promotion policy, but specifically on how they, as governments, can forge promising responses to the manifold challenges of shrinking spaces. There is currently no official venue for exchange and learning from each other’s best practices. In order to cooperate better and benefit from lessons already learned, U.S. and German government agencies should create an institutionalized space for exchange and coordination on these matters—among government agencies and within international organizations. In these processes, civil society organizations should be included as their experience and knowledge is indispensable.

(4) External actors (governmental and non-governmental) need to more seriously engage with the

criticism raised with regard to their practices: the question of their legitimacy as outsiders, the charge of undue interference in other countries’ affairs, their funding practices, etc. The practice does indeed raise some important questions that point to contradictions within liberalism itself—and it would serve U.S. and German credibility to engage these instead of simply dismissing them as bad excuses by power-hungry dictators.

*Recognize Potential Tensions between Religious and Gender Rights at Home and Abroad*⁴²

International and transnational cooperation between Germany and the U.S. provides opportunities to strengthen established as well as forge new transatlantic partnerships. Historically, both states recognize the promotion of and engagement with civil society as important aspects of their foreign policies, particularly in the areas of human rights and the furthering of peace between formerly antagonistic groups. Working together on these issues is important, particularly given the “shrinking civic spaces” mentioned above. However, civil society is not monolithic and we identify emerging tensions that states need to account for in the contemporary civil society world. One such tension exists between rights around religion and gender.

Promoting religious freedom and engaging with religious actors to promote peace and reconciliation worldwide have become important aspects of both American and German foreign policy. The U.S. Congress adopted the International Religious Freedom Act (IRFA) in 1998, which resulted in the establishment of an Office of International Religious Freedom and the appointment of an Ambassador-at-Large for International Religious Freedom within the Department of State, and which legally obliges them to monitor religious persecution and discrimination worldwide through annual reporting about religious freedom in the world. Since 2015, a Special Advisor for Religious Minorities in the Near East and South/Central Asia has led State Department efforts to address the situation of religious minorities in these regions. In addition, the U.S. Department of State established the Office of Religion and Global Affairs in 2014, which, headed by the Special Representative for Religion and

Global Affairs, works to implement the U.S. Strategy on Religious Leader and Faith Community Engagement, provides advice and analysis on foreign policy matters related to religion, and engages in dialogue with religious actors. (The position of the Representative, however, is vacant at the moment, and the Office seems to be relatively inactive currently, suggesting that the Trump administration does not assign much importance to engaging religious actors abroad.)

In Germany, the promotion of freedom of religion and thought has become one of the eight priorities of German external human rights policy. In 2016, the German government produced its first report on the status of freedom of religion and thought worldwide; and in 2018, it appointed a Commissioner for Global Freedom of Religion, who is located in the Federal Ministry for Economic Cooperation and Development and who is supposed to continue the monitoring of the violation of this right worldwide by producing a report every two years. In 2016, the German government also established a Task Force on the Responsibility of Religions for Peace, which organized two international conferences on the question of how to engage religious leaders and communities in peace-building and reconciliation.

Given this active involvement in the areas of international religious freedom and engagement on both sides of the Atlantic, some have argued that there should be more cooperation on these issues between Europe and the U.S.⁴³ In the face of the persecution of religious minorities in many states worldwide and the political role of religion in many conflicts, we agree that promoting the security and rights of minorities and engaging religious leaders and communities in interfaith dialogue and reconciliation are important foreign policy priorities that should not be given up. At the same time, however, the example of religious civil society also alerts us to remain attuned to complexity in its intersection with other rights. Religious actors, whose freedoms and engagement are promoted, may hold attitudes that conflict with other priorities of American and German foreign policy, such as the promotion of the rights of women and girls, and of LGBTI rights.

Normative conflicts between religion and gender/sexuality are well known from the domestic sphere. In the U.S., for example, religious freedom arguments have been used to give a platform to civil society seeking to curtail women's reproductive rights and the rights of LGBTI people. Vice President Mike Pence became notoriously connected to the religious freedom discourse as governor of Indiana, when the argument was employed as a method to discriminate against LGBTI minorities; though it failed under pressure from businesses that threatened to boycott the state. In the current political climate of the Trump presidency, these arguments have more traction and have broadened the ability of employers to discriminate against LGBTI people on grounds of religious freedom. The affront to LGBTIs—ranging from bathroom bills against trans* communities to protecting the “right” to discriminate against gays and lesbians in bakeries—is centrally part of the contemporary U.S. discourse. Challenging reproductive rights for women, including the cuts to the funding of Planned Parenthood and court cases curtailing reproductive rights (e.g., Hobby Lobby), is also concerning.

Similar normative conflicts between the right to religious freedom, on the one hand, and women's and LGBTI rights, on the other, exist in other countries as well, which need to be considered when engaging with religious actors abroad. Consider the example of Egypt: International attention for the persecution of religious minorities has primarily been aroused by attacks on and discrimination of Christians in this and other countries of the Middle East and North Africa. In the context of their religious freedom policies, American and German foreign policy authorities have declared their solidarity and met with leaders of Christian churches. At the same time, however, the Coptic Orthodox Church in Egypt has been instrumental in preventing family law reforms that would have abolished discriminatory practices in the areas of divorce and inheritance⁴⁴ and promotes discriminatory views against LGBTI people.⁴⁵

For these reasons, an important goal for American and German foreign and development policy administrations should be to take both the promo-

tion of religious minorities and of women's and LGBTI rights seriously, without infringing on the rights of either group. The German government already sets a good example by including issues of gender discrimination and discrimination of LGBTIs in its report on freedom of religion and thought.⁴⁶ Nevertheless, a wider recognition of these potential normative conflicts in American and German foreign affairs is necessary, in terms of a strategy of how both states will deal with these issues. We suggest considering the two following recommendations to navigate tensions between gender, sexuality, and religion.

First, LGBTI rights need to be recognized as being as equally important as the right to religious freedom. LGBTI rights are only slowly emerging as foreign policy priorities in Germany and the United States, but have made considerable gains in recent years.⁴⁷ The German foreign ministry has a clear stance on these issues.⁴⁸ The shift toward U.S. foreign policy support occurred under the Obama administration, including the April 2015 appointment of a Special Envoy for LGBTI rights in the U.S. Department of State. That position, however, has been vacant since November 2017, indicating decreasing support for this human rights issue under the current administration. In addition, American and German government and civil society should remain attuned to the efforts of civil society who actively do demonize groups on the basis of gender, gender identity, and sexual orientation. Civil society groups opposing so-called "gender ideology," like the World Congress of Families, are well-networked transnationally and support states in the promotion of resolutions at the United Nations and Council of Europe that curtail the rights of LGBTIs and women in the name of family values.⁴⁹ Such civil society opposed to "genderism" or "gender ideology" exists in both Germany and the U.S. and works to influence IGO resolutions through the support of other states (mainly Russia) pushing for family values. It is important that the U.S. and Germany stand in opposition to these initiatives.

Second, the German and American governments should engage more actively with transnational feminist religious movements, such as Musawah

and Catholics for Choice, and feminist and gay activists and scholars within religious communities. It is important to integrate their voices into bilateral and international negotiations both on religious freedom and on women's and LGBTI rights. Only if diverse religious voices are heard, can the alleged opposition between religion and gender equality be overcome and a variety of actors be involved in the fight for religious freedom, peace, and women's and LGBTI rights.

RECONSIDER GLOBAL RESPONSIBILITY

At the 2019 Munich Security Conference, Chancellor Merkel emphasized Germany's strategy in a new geopolitical environment. Calling upon the U.S. to focus on their common values, not just competition,⁵⁰ the chancellor stressed the importance of bridging differences and to work out solutions together in order to keep the liberal order the U.S. helped create after the end of the Cold War. As the current U.S. administration grapples with its own place in the international order, our group focused on areas that civil society actors are currently supporting or have the potential to establish stronger bilateral cooperation on at a time when transatlantic global responsibility is being re-evaluated and tested.

*Prioritizing Global Aid Effectiveness*⁵¹

According to the OECD, aid effectiveness centers on whether international assistance leads to improvement in economic and human development outcomes.⁵² International assistance goals of the U.S. and Germany are highly complementary: both are signatories to the Paris Declaration, Accra Agenda for Action,⁵³ Nairobi Outcome Document,⁵⁴ and Sustainable Development Goals⁵⁵; make similar arguments linking the provision of international assistance with domestic socio-economic interests; and top the official development assistance charts for amount of assistance disbursed.⁵⁶ Undergirding these complementarities are civil society interests in ensuring international assistance is transparent and effective in achieving development outcomes. However, donor countries are increasingly more focused on ensuring financial accountability for aid, at the expense of achieving

better outcomes. This is particularly true in the United States,⁵⁷ and is of increasing salience in Germany.⁵⁸

Civil society can be effective “infomediaries” between government and the public—helping governments understand what matters to citizens, and helping citizens see the value of international assistance. Together, civil society in the U.S. and Germany can encourage their respective bilateral aid agencies to prioritize development outcomes. Transatlantic collaboration and learning between U.S. and German civil society around research, advocacy, and communication techniques would help to achieve this goal. To realize it, this recommendation emphasizes the need to share approaches, research, and lessons learned between civil society in the U.S. and Germany to create exchange about their effective approaches in aid (academia and applied research); advocacy techniques (making the case to government); and public communication techniques (info-mediating with citizens). In addition to this knowledge-sharing between civil society actors, there is also space for U.S. and German civil society to jointly advocate governments to heed research findings⁵⁹ that have raised concerns about financial accountabilities crowding out aid effectiveness principles.⁶⁰ Civil society can also advise government on the types of aid information that should be made transparent and accessible to the public, using the International Aid Transparency Initiative (IATI) data standard.⁶¹

This recommendation focuses on a wide variety of areas that the U.S. and Germany are engaged in, such as the health sector, the Sub-Saharan Africa region, and cross-sectoral issues influencing migration. Ultimately, collaboration between U.S. and German civil society can lead to more transparent, effective, and efficient international assistance. Despite current differences domestically, joint efforts to strengthen the usefulness of financial and results information can bring both countries closer together for mutual benefit.

*Redefining International Standards for the Sake of Art Restitution*⁶²

The U.S.-German relationship has played a central role in the field of international art restitution since the Washington Conference on Nazi-Confiscated Art,⁶³ which led to the development of international standards in developing a consensus on non-binding principles to assist in resolving issues relating to Nazi-confiscated art. In November 2018, a report on the restitution of African cultural heritage⁶⁴ stirred up public debate in Germany⁶⁵ and other European countries and put pressure on museums to act. Discussions regarding this report in the U.S., by contrast, remained confined to museum experts.⁶⁶ As the question now extends to colonial art looting,⁶⁷ the role of the transatlantic relationship needs to be redefined in this space.

Currently, the U.S. and German stakeholders in politics and culture support post-colonial art restitution by sharing the lessons they learned, for example, from Nazi-confiscated art restitution. They engage in multilateral efforts to promote a more balanced global museum landscape where the gap between the West and formerly colonized countries is slowly reduced. From the background of their common experiences and together with government and museum actors from other countries, U.S. and German stakeholders in politics and culture should advocate for and participate in multilateral efforts to adapt the Washington Principles⁶⁸ on Nazi-Confiscated Art to post-colonial art restitution. In addition, U.S. and German museum actors engaged in provenance research should share their practices and open their networks to museum actors engaged in post-colonial art restitution, particularly when they come from formerly colonized countries. As a first concrete step, the German-American Provenance Research Exchange Program (PREP)⁶⁹ for museum professionals should, while staying transatlantic in its core, be opened to representatives of other countries.

As more and more stakeholders raise their voice for a more balanced global museum landscape, e.g., where museums in former colonized countries will be able to receive, conserve, and exhibit

returned artworks, this trend will transform the issue of post-colonial cultural heritage into an important feature of international public diplomacy. Germany and the U.S. can play a leading role in this field given their experience.

Conclusions

Today's U.S.-German relationship has endured its fair share of ups and downs. Together, the two nations have been able to overcome conflict, economic crises, and numerous political divides—but it took work on both sides to help repair and rebuild the relationship. Today, as the U.S. withdraws from the global stage and Europe grapples with its own internal divides, a government push for stronger bilateral relations does not seem as high on the priority list as it once was. While the two remain close allies on the surface, the relationship has been deeply fractured but is not unreparable.

As our group discussed and debated the current challenges to the U.S.-German relationship, one underlying theme kept resurfacing: the need to rebuild trust, not just in the relationship, but between government and society. Our perception was that there is a growing distrust exacerbated by the current U.S. leadership and buttressed by external powers challenging the liberal international order that the U.S. and Germany helped build. Our recommendations outline concrete and abstract concepts that highlight how civil society can help bridge the disconnect between the state and the people, but also help rebuild trust within and between societies.

As mentioned in the survey results cited at the beginning of this essay, public perception between the U.S. and Germany remains uneven, while we share strong bonds that—with work—have been able to endure tougher times. The need to create a new narrative focused on our common values, transatlantic trust, and liberal ideas is vital to uphold the values that we claim we share. Civil society serves as an interlocuter to further these principles but requires investment from both sides of the Atlantic if the relationship will continue its current path.

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