

Uncorrected Transcript: Check against Video for Quotes

QI Panel:

The War-Crisis Nexus in Europe: Germany, Europe and the War in Ukraine

November 20th, 2024

12:00-1:00 PM ET

Anatol Lieven 0:44

Hello everyone, thank you for coming. I'm Anatol Liven, director of the Eurasia program here at the Quincy Institute for Responsible Statecraft. Before introducing today's webinar, I would just like to flag two upcoming Quincy events tomorrow at 3:30pm EST, QI and Warhorse will be discussing new reporting from Warhorse veteran correspondents on the battle for Fallujah, which took place 20 years ago. And on Monday the 25th, QI is holding an online conference on our report of our better order, sorry, better order project on how to replace the so called rules based order, and this will feature several participants in the project. So I do hope you can attend those two events as well. For today, if you have questions, which I hope you do, please put them in the Q and A at the bottom of the screen, and I will pass as many of them as I can on to the participants.

So for today, we are discussing an extremely topical subject, the political crisis in Germany, the snap elections. Snap elections hardly ever happen in Germany, and the implications of this and the reasons for it in the context of wider European developments and the war in Ukraine, and unfortunately, our third speaker, Christopher Layne, is ill and couldn't make it. But it's a great pleasure to introduce Molly O'Neal, who is a QI non-resident fellow and is the author of a QI policy brief, which has just come out on the risk to Germany and Europe from a prolonged war in Ukraine and Matthias Matthijs who is professor, the Dean Acheson professor at SAIS and senior fellow for Europe at the Council on Foreign Relations, and an expert on political economy, political international, political policy and regional integration, all of them very important topics for today. So to begin Molly, perhaps you could tell us something about your policy brief and your views on how the war in Ukraine have affected developments in Germany and in Europe more widely?

Molly O'Neal 3:22

Well, this policy brief was published in October, and needless to say, things are moving. Events are moving ahead. But the basic claim of the paper was that the choice, policy choice or strategic choice to pursue maximal aims for the Ukraine war. In other words, an unambiguous victory for Ukraine seemed to be that seemed to be the course of action chosen at that time by Biden, and I certainly think it would have been pursued had the election gone otherwise. In any case, I argued that this policy carried with it evident risks for what I call the European peace order, which I mean, the capacity of Europe to act collectively and cooperatively and as a, you know, as a group of liberal democracies, is something that the US has fostered previously as a major element of its policy in the whole post-war era, and that we're seeing

Uncorrected Transcript: Check against Video for Quotes

dangerous developments due in part, I claim, to the effects of the war in Ukraine, both on budgetary choices, And, you know, the costs of supporting Ukraine, the economic slump that's at least attributable in part to the war in Ukraine, and then finally, to to the just to the opportunities that this posed for illiberal, illiberal or populist parties in Europe. And we can see. Uh, this progress, steady progress being made across a number of countries, as I'm sure we're all aware. And there have been quite a few articles that I've done, and others have done a responsible statecraft covering this in recent months.

So So bringing the case down to Germany, we have, oh, I also argued that it seemed to me that the post conflict period would be, would be one where we'd expect and need, and Europeans to would recognize a need to assume more of its own responsibility for more of its own conventional military deterrent. And that definitely has been very much a matter of discussion in Europe, but it's something that would require a political, coherent and stable governments, and in particular in the two principal countries that have driven the European integration process for the from its inception, and that's France and Germany. So already I the article talked quite a bit about the political scene in Germany in particular. It didn't anticipate, of course, necessarily, that the coalition would fall apart prematurely, as it has done, and so that's what we're facing today. And I think I'm not saying that. I'm totally vindicated in my argument, but I am saying that certainly the developments that we've seen now in the aftermath, especially as we're now facing a big transition also in the United States, point to the impact of the Ukraine war on, on, on domestic political trends in not only in Europe, but also in the United States. So that's, that's, that's what I would say

Anatol Lieven 6:41

Thanks Kendra. And just to, just to add on the Chinese side. Do you is this sort of the United States following a playbook that Beijing had already written by excluding Google and the like? Or do you see, do you see a kind of a qualitative difference between the approach of the two sides?

Kendra Schaefer 11:16

Matthias, the precipitant of the collapse of the coalition was a battle over the budget and debt. How far, in your view, has this been driven by the additional demands of the war in Ukraine, funding Ukraine and increasing military spending, and what are the implications of this, not just for Germany, but but for other European countries, which are also facing severe budgetary pressure?

Matthias Matthijs 7:14

Thank you, Anatol, and thanks for inviting me. It's great to be back at Quincy. So the genesis of this coalition, the traffic light coalition of social the red Social Democrats, the greens and the, I guess, the yellow colored liberals, the compromise, if you want, the glue that made this, quote, unquote, an exciting coalition, was a few things. They had amazing support by young people.

Uncorrected Transcript: Check against Video for Quotes

Roughly 30% of the young voted for the greens, and another 30% voted for the FDP, less so for the SPD. But the idea was that Schultz was going to lead a coalition from the sort of center he was going to be the glue between green and yellow, where the greens were going to get their climate and their energy transition and the fight against climate change be put front and center, and the FDP, led by Finance Minister Christian Lindner, were going to see digitization, right So young people wanted to see a modern economy that was at ease with renewable energy. And for Schultz, the main thing to protect was, of course, the social welfare state, and in to some extent, also the old sort of German export driven model. So if you recall they, they came into office, I think just exactly three years ago, in early December 2021, and the Ukraine war immediately kind of overwhelmed this, because very quickly, the energy transition had to be speeded up by this cutoff from Russian oil and gas that was kind of forced on Germany. This is not something they chose. This was something they were told to do. And then the pressure was so much that they decided this. And rather than talking about Nord Stream two, they were talking about Nord Stream one. Stream one wedding, and cutting that off a kind of a very fast paced period. And for Lindner, the the FDP, this was, this was uncomfortable, because suddenly they had to talk about a lot more spending, right? And what they really wanted was tax cuts. But given their obsession with keeping that small, you couldn't have both.

And for Scholz, it was very uncomfortable, because, of course, his party had a legacy. I mean, it's after all, the party of Willy Brandt, the party of Ostpolitik. They had a lot of people that were very close to to Russia and valued that relationship. It was only just the greens that kind of pushed forward on this and felt vindicated, right? And so the the the way this was always going to fall apart, and I mean, most German hands are still surprised that it did fall apart, because Germans supposedly abred instability, and they'd rather suffer through another year and wait for the election in September, is that there were these eight. Compatible demands within, within the budget, right? Is that? And for Lindner, he already faced this moment a year ago, but then decided to kind of muddle through, but he wasn't willing to do another sort of, you know, budgetary slide of hand where the Ukraine money was going to be set aside out of the budgetary rules of the debt break, which is constitutional, which was put in place in response to the global financial crisis, and the bank bailouts and so on. And now, now looks obviously foolish, even it was foolish at the time. And I mean, it really was the Ukraine war that that's kind of massively upped, up the pressure, right? Because it's not just the fact that there's a lot more spending, and there's this whole discussion about, what should Germany do to support Ukraine, but there's the whole crumbling of the German model that rested on, you know, a kind of open world economy, where the Americans, the Chinese and the Russians were all happily buying German cars, right? And that is now coming under pressure from all three fronts

Anatol Lieven 11:01

In these circumstances, an observer from another planet might expect that leading German parties would wish to reduce at least one element of this pressure by trying to bring an end to the war in Ukraine, but there doesn't seem to be, I mean, obviously that there is a growing support for opponents of the war, but not it would seem in the German establishment. Matthias, what do you see that emerging?

Uncorrected Transcript: Check against Video for Quotes

Matthias Matthijs 11:37

I mean, I think it's obvious that Scholz himself wants to thread this needle right. He wants to position himself as the Friedens counselor right, as the chancellor who will bring peace. He has seen the rise on both far left and far right, the support for the bundesaga Wagen Kinect, who's clearly in favor of ending the war in Ukraine and stopping the escalation that you've seen and that we just see in the last few days, even even amping up further. And of course, the AfD on the right Schultz knows that he can get votes back from them. Right? A lot of SPD, traditional SPD voters have left them for the AfD, and now, of course, have left them for sagawagen Connect party. But there's a fight within the party, right? I mean, his big, supposed challenger, who hasn't said as much, but that we're all waiting for. And remember, SPD will only have a party congress in January 11, I believe. So there's a lot that can happen between now and then, whether Scholz is even going to be the chancellor candidate right now, he looks like he will be it. But you know, if the polls don't improve, it's not unthinkable that by January 11, they pull the plug.

So in that sense there, there is part of the German establishment that does want to settle that. But I think there's just such overwhelming pressure from the UK, from the Biden administration, especially, and and, of course, from the east, right, from Poland, from from the Baltics, to not go that route that Mertz of the CDU has actually positioned himself as much more hawkish on this right. He's promised that if Putin doesn't stop targeting civilian targets in Ukraine, within 24 hours, he's going to authorize all kinds of weapons to be sent to Ukraine, being used on Russian soil and so on. The greens are clearly that's where the greens and the CDU get along, and that's where you could see a future coalition, but a coalition that's actually much tougher on Russia, rather than the other way around. It's harder to see from an establishment point of view. You're absolutely right. A coalition emerged that wants to settle this. Of course, they can be taken in speed by Donald Trump, because that's the other awkward thing, right? They're going to have a one month long campaign, right? When Donald Trump comes to Office, and you can only imagine every day, how many new initiatives and how many things are going to happen in Washington, DC.

Anatol Lieven 13:59

Well, Molly, I'd like to ask you about that, because this is it is surprising to me, as a Brit, looking at the British government, for example, which appears to be on the point of, if it hasn't already, of following Biden in authorizing Ukraine to Fire British missiles guided by Americans into Russia, and yet this is, you know, in the context of, I mean not a lame duck. I mean almost an ex administration with a completely new administration coming to power. How do you think Molly that that a Trump administration will well affect European policy? Will Europeans in the end, led by the Germans bow to Trump policy on Ukraine, whatever it is, or do you think we will see serious pushback against it?

Molly O'Neal 14:57

Uncorrected Transcript: Check against Video for Quotes

Well, that is really a very interesting question I am. I would just note also that I wanted to just elaborate a little bit about Schultz, kind of trying to refashion his appeal to voters by us suggesting that he is a peace candidate. What this really amounts to is really two things. One is the his firm refusal, once more, he's reiterated to deliver these tourists, long range missiles, which of course, Mount says he will deliver, if he when, he will be the chancellor, and also the other, the other small thing, that gesture, that that shows us made about peace, is the called Putin, which of course, caused a terrific amount of consternation in Europe. So So these little gestures, I'm watching the polls daily. I don't see any uptick in the SPD polling from from these gestures, but what it may be doing is helping Schultz to to keep the more peace oriented camp within SPD from ditching him and putting instead the foreign, sorry defense minister, Boris. His story is an infamous, much more popular figure to lead the the SPDs campaign historians isn't showing any willingness necessarily to do that right now, because a lot of people suggest that. You know, right now, CDU has about 33% of the voting intentions and SPD around 16. So the two of them together, in all likelihood, could form a coalition, and that is the most likely outcome from the election. In my opinion, it won't be a happy marriage. It will be less, less harmonious than it was, for example, the same type of grand coalition under Merkel, but it seems to me to be the only outcome I don't see.

First of all, greens are only at 11% they're not growing either there, if anything, declining slightly. And recent polling, I don't know where their recovery would come from so alone, they wouldn't be enough to to be together with the CDU. That wouldn't be 50% and I think the government would merit, of course, would prefer to see the Liberals come into their own again. That would be the perfect harmonious match. But liberals right now are only at a little under 5% and so that's the threshold 5% so it's not that probably is unworkable. So anyway, coming back to your question, though, about the consensus in Europe, it is very interesting. There does seem to be like the public mood is clearly shifting toward more recognition that the war should end by negotiation. There are many, many polls that show this across different European polities, and of course, I believe this is a reason why you've seen success by parties like AFD and Sara Bagan connects party in Germany in these regional elections, as we talked about a lot back in the fall. So AFD is still second, behind CDU, a distance, second, with about 18% of the voting poll in the polls right now. But who knows, maybe they could surprise on the upside. It's not, you know, Germany must be the most polled society in the world. I mean, there's a numerous institutes every day checking the temperature. So it's hard to believe it's wrong, but we'll have to see how that how that emerges. But I would note that they so right now I just looking at what has gone on and in the various meetings that have happened among the allied countries.

And particularly, I'd like to point out there was a meeting of foreign ministers, the so called Weimar group, which is Germany, Poland and France, these three foreign ministers, plus the Italian and I think they also had, I think somehow Zelensky involved, I'm not Sure, but they actually came out there communique as saying that they are going to insist on assuming the burden of full support for Ukraine, even if the US cuts off military support. Well, I don't know if you've examined the public finance picture, that is just a completely absurd proposition, but that is what they're saying and so, but what they're saying, and there's sort of a Get Out of Jail Free

Uncorrected Transcript: Check against Video for Quotes

card, is that there should be European euro bonds would be issued to make this happen, to relieve the resource constraint, allow a borrowing by the European Union, as was done under the COVID period. So the trouble with that is Mertz would never go for that. That is definitely not happening.

As far as Germany is concerned, that he's very firm on this fiscal he may release the fiscal break, but I don't see him agreeing to European funding. I don't know. Matthias may have a better idea than me. So right now. Well, I don't know if this is a gambit, you know, just to show a strong solidarity in order to get a seat at the table for Europe, because I think the Europeans are probably afraid that Trump is just going to make the deal without even asking them or consulting with them at all. So clearly they don't want that to happen. So I think there's a lot of disarray, basically, and and again, the approach the Europeans are taking, European leadership is taking, is very much to stay the course, and we can handle it. Bucha and Das. We're going to make this we're going to make this work. So anyway, we'll see. We'll see what happens

Anatol Lieven 20:38

European disarray? Surely not. You know, some of the establishment French were saying, yes, you know, we we can take over full support for Ukraine, including militarily if America pulls out. I ran this past Germans, including, you know, establishment Germans. And they said, No, I mean nonsense, maybe economically, but not militarily, but I mean Matthias, what? What do you think about this? I mean, are, are the Europeans essentially on autopilot over this? Is this, as Molly suggests, perhaps purely declarative, or, I mean, is the serious thinking going on, in your view?

Matthias Matthijs 21:29

I mean, there, there is serious thinking, but there also is a bit of a leadership for it, right? That that in many ways. I mean, this starts with your own UK Anatol. I mean, unsurprisingly, Keir Starmer's big statement yesterday at the g20 was that he's going to steer a middle course between Trump's America and the EU, even though, of course, most of his voters would want closer relations with the EU and prioritize that over, you know, doing a Fauci and bargain with Trump's America. This is not what labor voters are interested in. That said, he also knows he's going to be disappointed, right? Because the EU always pushes just a little bit too much on this stuff, and they run circles around the UK when it comes to negotiations, and they're going to want a lot of things like youth mobility schemes and all those things that are very symbolically important and that are going to cost the UK money, more money than they get out and then that whole game starts all over again. So the UK naturally would have to lead such a coalition. But again, they're mistrustful of the EU.

Germany is going through an election, so that won't be sorted. I mean, you know, I don't know what you think Molly, but realistically, a chancellor Mertz, assuming polls stay where they are, probably emerges in June, right? So we're still talking six, seven. I mean, maybe they can do it faster, maybe it's May, maybe it's but still, I mean, the deal may already be done in Ukraine and Macron. I mean, Macron's moment was in 2017 right? And that's now seven, eight years ago.

Uncorrected Transcript: Check against Video for Quotes

And you know, he's, he really is, all consumed by the domestic fiscal battle, by solving the gap between 58% of outlays and 52% of revenues, and solving that by even higher taxes, right? Which I imagine most people who are listening to this conversation in based in the US find, I mean, most Europeans find this already crazy, this high taxes right to to raise it even further to solve a budget issue.

So then, then you come at the Commission right? Von der Leyen is the most experienced person now there. She's also gotten a lot more power. She's treated seriously at the White House, especially the Biden White House. But of course, that's changing, but the EU can act, but does she have followers, right? I mean, as as Molly said, I think, I actually think you could see a merits led coalition with greens and SPD, a two the two thirds majority that then reforms the dead break, because they need a constitutional two thirds majority for this. And then the deal will be, but this will be for Germany, right? We will borrow more to invest in the German economy, in the German energy transition, in German defense, but not to open the floodgates towards new EU borrowing, right? And they will hide behind the Dutch and the frugal, the frugal four or five, the Nordics that don't want this either. That said, what you say on at all, if you do see the poles, the Baltics and the Scandinavians together with the UK, that is a potential coalition of the willing, right? Maybe with with support from the Commission, but I don't see the EU come up with, you know, a replacement for the US, because it would have to be the EU basically buying American weapons and paying for it. And that said, I mean, Trump could force their, their their hand on this, but that's why, I think, and your interactions with Berlin this summer or rude feeling there, right? That's why I think the Germans want this rather have this settled, and then the question will be, what kind of security guarantees will will Ukraine get in return?

Anatol Lieven 25:12

Yes, indeed. And I mean, are the implications of all this that we are likely to see a further growth of the extremes in Europe. If you know, if these budgetary pressures continue, if migration pressures continue, and if the European Union acquires, or is seen to acquire, even more power. And of course, these, well, actually not just the right wing populist parties, increasingly the left wing populist parties as well. Do you know have a strong Euro skeptic element in their in their base? I mean, are we looking from that point of view as well, in your view, at a long term European political crisis.

Matthias Matthijs 26:04

I mean, absolutely right. I mean, it's, it was one thing in 2017 for the Germans to tie their security fate to the French. Macron was just elected. There was a broad centrist movement. It was, it was all pro European. But who wants to tie their security fate to Marine Le Pen's France, right? I mean, it would be, it would be political suicide to to want to do this. And that's, I mean, if you look at France, it's a real candidate for a far right government in 2027 if current trends continue, it may not be Marine Le Pen. She may not be able to run. But honestly, that's not so that's where the comparison with Trump and lawfare doesn't quite work. The French will accept

Uncorrected Transcript: Check against Video for Quotes

this. They've had Sarkozy in jail and Fionn, the establishment goes to jail there too, right? But they'll be, and they'll be Jordan bagdall Or somebody younger who will be the standard bearer. And I think they will that will maybe even take some of this thing out of it. They've looked, they look at Meloni in Italy, and they even look at the Netherlands, and these are two founding EU members, and the sky hasn't fallen right with the far right in power. So why not try it? But you do get the political crisis, because there's going to be more and more opt outs. You already see this with the Dutch and immigration. We don't want to be part of this anymore. We don't want to be part of that anymore. And that's, I think, when you get the kind of slow erosion of the EU just by its founding member states who are no longer, you know, kind of abiding by the key, right? In that sense that that's, I think, is, is the real risk and, and, I mean, I'd be interested to see what Molly thinks of this. But the question is, I mean, there was one poll that had sagawagen Connect the link and the FDP all under 5% it's just been one poll. I don't want to extrapolate this, but it does mean that there is some volatility. I think this is going to get more volatile. There could be surprises. The Greens could do better. The AFD could do better. The SPD with another Chancellor candidate could do better. The merits could collapse, right? Because he's famously, you know, volatile. So, I mean, it isn't over. That said. We also know that the CDU has been ahead for two years without any real move, so the campaign still has, has to be fought. But, Molly, what do you think? Do you think this is good for the extremes?

Molly O'Neal 28:30

I think what murth said the other day something that I think is probably true, which is this was reported that he said that really we need we the CDU-CSU needs to have liberals for a partner and only liberals for a partner. And if we can't get that, we are just going to reinforce the prospects of AFD eventually rising and being you know, it'd be impossible eventually, if they AFD continues to rise to exclude them permanently from ever being in any coalition. So he was saying that that a condition for avoiding that was in his mind to have liberals rise enough to be a the sole coalition partner, as was sort of like the good old days in stable Germany of the past. So I suppose that's probably a vain wish to try to hope for that to happen, but, but I know that they prefer not to have three, three parties the way it was done with on Pel that proved to be, you know, the traffic light coalition that proved to be a very unstable and so they don't want to replicate that. So I think they're stuck with I believe they're stuck with SPD. I don't think that they would form a coalition with greens. I mean, Mertz is very anti green. He doesn't really like their priorities very much. And so maybe they're Stranger things have. Happened, but anyway, so that's how I think about it.

But you know, what I said in my paper was that this kind of disintegration that we're talking about the vitiation of both the weak weakening and the realignment, whatever it is in both Germany and France, and the loosening of the bonds of mutual obligation and respect among the Europe members of the European Union, you know, I tried to claim that that could be, you know, patched up, if we could get to a peace in Ukraine. I really thought that, you know, that part of the problem is this sort of open wound in Europe, and that if it was, you know, resolved, and maybe we could make an effort to restore, we Americans could show our traditional caring and interest about propping not propping up. That's not the right word, reinforcing the European

Uncorrected Transcript: Check against Video for Quotes

project, which is in our interest, fundamentally in the American interest to do but to really expect Trump to do that is completely unreasonable. I mean, I don't think he has any interest whatsoever in that. So I'm afraid, I think that even if Trump does manage to drive through some sort of a rest peaceful resolution in Ukraine, it's not going to halt these trends we're seeing in Europe. I don't think, I don't see how it could. It's probably going to expose even more division. So I don't know what that says about the security of the continent and so on. Because, you know, I don't really see how the United States can continue to be the guarantor of the security of Europe. I don't think Trump wants to do it. And I think other people who may follow him may also feel that it's not in our it's not an Americans no longer have the the luxury of of doing all these being the, you know, globally. So have such a have such a prominent role in assuring security on a global basis that so I think Europe will have to, you know, find a way to, you know, to assume more responsibility for their own defense.

Anatol Lieven 32:09

Well, that you know is possible over time, incrementally, if, as you say, Molly, you can, you can bring peace in Ukraine. But of course, the risk is that America will pull back. And, you know, impelled by this, as Matthias said, you know, Coalition of the Willing, which to be honest. I mean, if you add up the, you know, economies and military forces does not look particularly, you know, adequate or powerful that but rhetorically, at least, Europe will continue to push forward, and we'll get into a crisis that it basically cannot manage or control. And I don't know how, how great that risk is, but it's certainly something that that worries me. I mean, the other thing, of course, I don't know if you would agree Matthias, but the problem about grand coalitions, or having, you know, all the parties of the center in one government, is that historically, especially in a context of economic crisis, that automatically tends to strengthen the extremes, because the extremes are the only opposition left. And I think we have seen that in France after Macron. Macron basically just United or inherited or took over the whole of the center. And what do you see? The rise of La France, as to me, is on one flank, and there are some law national on the other, right?

Matthias Matthijs 33:50

Yeah. I mean, we've, we've seen this in Austria, of course, right? The precursor, the precursor of grand coalition after grand coalition, is, at some point, you know, the far right becomes the biggest doesn't necessarily mean they can actually form a government, but it does mean that, you know, voters are fed up, right? So the only way this can be successful, this kind of grand coalition, if it does have a real project, right? A project of like, we are going to revitalize the German economy. And we're going to, I mean, basically, start implementing some of the things that Mario draghi's report is talking about, right? And that, I mean, so in many ways, to come back to Molly's point, she's absolutely right. Trump has zero interest in European integration, right? That said, his major gripes with Europe are a trade deficit, a huge trade deficit. Two, not enough defense spending. And three, somehow he has it out for Germany, right? That's, that's the one, the one country he want. He wants to, you know, have suffered the most, and so the drag. Plan really would invest more in Europe, create more demand in Europe, basically

Uncorrected Transcript: Check against Video for Quotes

balance the European economy away from completely relying on exports to the United States, which, of course, they do more and more as they've cut themselves off from Russia and they're de risking from the China, from China for the Chinese market, increase in and more investment, joint investment in defense spending, which is something and defense procurement.

So something Draghi also talked about, would would help the Americans, you know, in Ukraine, supposedly, and then, you know, join that is something the Germans don't want. So pushing them to do this would really piss them off, right? That's the theory. In theory, I can see a huge appeal for the Trump administration in pushing this. They should fly to Munich, say peace in our transatlantic time, wave the Draghi report, and say, you implement this, and then all Trump's problems are solved, that he's going to be much more interesting in doing bilateral deals with every single country. Right? For Trump, for Ivanka, for Don Jr, whatever they can give what he wants to show American weapons deals. He wants to show more us. You know, military personnel helping and on these basis, he basically wants to withdraw Americans from from Europe, right? I mean, that seems to be his, his goal. And let's be honest, if the Democrats don't get their act together in the next four years, and what we've seen in the last two weeks, we can doubt that they will. And you have a president, Vance after this. I mean, Vance is a much more stronger believer in all of this.

So yeah. I mean, I agree with Anatol. They need a they can gradually do this, assuming there's peace in Ukraine, but it's just hard to see. I mean, in the end, at least Harris presidency had the potential for Ukraine, of of a quick invitation for Ukraine. That's what, what some of the discussions, at least in DC, were based on, that if Harris would win, she would be able to kind of push the Germans into fast tracking NATO accession for Ukraine. Then you can settle on whatever the current battle lines are, the lines of contact, but there would be a clear security guarantee for the rest of Ukraine, the Ukraine that Kyiv controls and NATO enlargement would come prior to EU enlargement. And, you know, again, in theory, the playbook was written that is gone right as a possibility, like Ukraine membership. Membership of NATO for Ukraine is not going to happen in the next five years, so the next 10, for that matter. I mean, who knows? Right? But so you're going to have to find from a European, from an EU, from a UK point of view, how do you guarantee Ukrainian security if there is some sort of ceasefire or settlement and that I'm not sure they they're up for, right? Because then, then it becomes a whole different risk assessments, right? And then you cannot hide behind the Americans anymore, right?

Anatol Lieven 38:05

Well, I mean, of course, the other prospect that has been held out, which would actually implicitly have kind of security guarantees as well, certainly in terms of economic retaliation, is membership of the European Union for Ukraine. But I have to say, I mean, all the political and economic tendencies that we've been talking about, including pressure on budgets, are not, I think, encouraging when it comes to further expansion of the European Union. I don't know if that is how you see it

Matthias Matthijs 38:48

Uncorrected Transcript: Check against Video for Quotes

It has to be unanimous, right? That has the last vote has to be. I mean, if you think about all the veto players on the EU side that can ruin this, but also think about all the things that we expecting Ukraine to do. I mean, let's not be naive about it either. I forgot who said it, but if Ukraine were a member of the European Union today, it would be by far the most corrupt EU country, far beyond Yeah, and the poor far beyond Hungary today, and we know how Orban has managed to seize EU funds and use it in all kinds of creative ways. But you'd have to reform the Common Agricultural Policy. You'd have to reform the Cohesion Policy. You have to convince and and even the polls, as enthusiastic as they are, at least the elites in Warsaw of Ukraine joining when it comes down to the, you know, small things like Ukrainian grain being sold in Poland, it becomes, already a huge issue, right? So, I mean, honestly, it's not a silver bullet. It's also hard to see Ukraine joining the EU anytime soon, and with soon, I mean, in the next 10 years, right? You. Think of 2040, but how does that solve the current conflict now? Right? And I think a lot of members, not least Ireland, Spain, are very uncomfortable with this idea that EU membership for a country at war then now implies something similar as Article Five in NATO, right? That that this means EU members are at a duty to come to the aid of the country, right? It's one thing to do this for a long established member. It's quite another thing to kind of put the horse before the cart, right? And which is what the cart before the horse, which is what they would be doing well.

Anatol Lieven 40:34

And speaking of horses, and in the context of farmers demonstrations in London, at the moment French farmers, who have quite a history of blocking roads, would I think, have something to say about reforming the Common Agricultural Policy in ways that would simultaneously slash their subsidies and open their markets to Ukrainian food? Yeah. I mean, had several questions Bolly basically asking, I mean, you know, how much time does the European Union have to get its act together? And, I mean, does it, in fact, have a future as a union, or, given everything that's happening, will it end up, very likely as a much looser grouping of countries. What is your view on that?

Molly O'Neal 41:32

I think, I think a precondition to Europe getting its act together and acting collectively, in particular in this defense sphere that were, I emphasize in my paper that all of that I believe, is conditional on there being a some sort of a satisfactory resolution of the war in Ukraine and so, so, as we know, that is a tall order. But I guess the thing is that definitely, Trump has been, you know, very vocal about this being a priority. But in order to do this, you know, I'm a former diplomat, so I'm just looking at this in terms of how what that is, that's a very intricate process, because the only way that this could be done in a way that would be would be, how to say stable, and could represent a true resolution would be to involve Europeans as well fully. And it's we're not off to a really good start. Because it looks to me, I don't know, maybe I'm wrong, but I'm not sure how much the Biden administration even consulted with Europe on the decision to allow these long range missiles to be used, it seemed like they were. Europeans appeared to be

Uncorrected Transcript: Check against Video for Quotes

blindsided by that. So that isn't really a very hopeful sign. And of course, I realize that's the Biden administration, but the Trump administration, I imagine, would also have a predilection to acting unilaterally. And I think the way to make this work would be to for some very skillful diplomat, which I guess is going to have to be Marco Rubio as the secretary of state, to begin to hear from them, to see what they would accept, to see what approach that they would welcome, in a course of it, getting the Ukrainians on board for something where they would feel that their fundamental interests were still, you know, preserved in the settlement.

All this is some, definitely some Nobel Peace Prizes would be available to people who made this work. But is it really realistic? So if this could happen, I believe Europeans would be then freed to move to develop their own more autonomous defense capabilities, which, of course, means the industrial sphere as well. I don't think it's a long term solution for Europeans simply to outsource their security. You know, by buying American weaponry they need to work on their defense industrial capability, which I know the French are always favorite, favorite, favorite of that approach. And I think the Germans do too, really. So, so I think I still, I guess I still believe that a whole lot depends upon whether we can get the stabilize, the situation in Ukraine. Beyond that, I think there is a prospect for the European Union to to survive and to prosper, although it might very well find itself having to roll back some of the you know, the RE delegate, perhaps more, to the to the national governments, a great deal certain prerogatives that previously have been at the level of the commission. And I say, I think, I don't know why I'm right or wrong about this, but I get the impression that Ursula von der Leyen as a strong leader, but she's sort of like the big oak tree that covers up and kind of smothers other people's, you know, kind of roles and so on. And. Words that it seems to be the commission as a whole is weaker and less and there aren't any really strong personalities with real dynamism, because it's just, you know, that's so I don't think that's a healthy development.

Anatol Lieven 45:15

And of course, the problem about European military spending is that you can't develop this quickly without either buying American weapons or really pooling European production. But if you're going to buy American weapons, that rules out using this as an economic stimulus as it has acted in the US. But of course, equally, trying to pool military production leads to furious fights among the Europeans themselves, basically about whose industries get benefited and who's a shutdown. Yeah, Matthias an interesting question from the floor. This was brought home to me, by the way, in Georgia earlier this year when a number of people pointed out to me that our NATO neighbor is not France or Germany or Poland, it's Turkey. And so there's a question from the audience, is there any chance of the European Union, collectively or individually, developing towards what William Burns has called the hedging middle like so many countries in the world, including Turkey, which are you know, very much, trying to pursue their own interests, while you could call it zigzagging between Washington, Moscow and Beijing. Is that a possible future for the European Union? Are the Europeans capable of heading in that direction?

Matthias Matthijs 46:57

Uncorrected Transcript: Check against Video for Quotes

I mean, it's, it's definitely a theoretical possibility, right? I mean, and a lot, a lot will depend on what Trump, 47 administration does to Europe, right? I mean, if, if they start out by immediately raising tariffs to 10% on every single thing coming from Europe, then threaten to take it to 20% then basically tell them, You're on your own in Ukraine. We're going to try to make a peace deal, if, if Putin isn't interested, we're we're done. We're withdrawing our support. And then on top of them, tell them that they need to decouple from China, the Europeans are going to say, Okay, forget it. No way, right? I mean, and so is there a possibility of us unilateral policy driving Europe in the arms of the Chinese? Yes, that's a possibility. That said, it's obviously hugely divided Europe on this issue, as we saw with the tariffs on electric vehicles, Spain and Germany tried desperately to stop them until the last minute while France and Italy were perfectly happy with it.

And let's not forget Eastern Europeans and Poland the Baltics. I mean, these were all the countries. Mean, remember the days of 17 plus plus one, where China had this privileged relationship with East and Central Europe, the Balkans and so on. The ones that have soured the most on this, of course, are the Baltics, because they see Chinese support for Russia's war, for Ukraine, and they don't like it one bit that said, and Molly knows this as well as I do, given her expertise in Central and Eastern Europe. Central Eastern Europe is hugely dependent on Germany for their own economies. Right? They're part of this kind of broader industrial complex, the whole Yeah, yeah. And so Germany wants to hang on, not just selling stuff into the Chinese market, but also from Chinese investment in renewables and all these things, where they're actually further than the Europeans, to some extent that they want. They want that technology transfer, and they want to catch up that way, so you cannot decouple from all three at the same time, right?

I mean, what's, what's the was it Constance Miller's line of you know, you've outsourced your energy to Russia, your growth to China, and your security to the US. If everything goes I mean, yeah, I think that the China bit is what, what they'll keep, what I find hard to see is is a somehow, like a European interest emerging that's truly European, right? That would be the idea of European sovereignty, strategic autonomy, right? That the Europeans, all 27 of them, would agree on this is in our interest, right? I mean, it seems to me, the polls would rather have a nuclear weapon of their own than relying on Berlin and Paris for their security, right? So that's where I think they're not quite ready to give up on on the US, right? They'd rather flatter, go down on their knees, do whatever Trump wants to keep that and I think, you know, to be fair. In the last few days, Trump, people have already hinted at this, right? If you have a trade surplus or not a trade deficit with us, and you spent more than 3% on defense from GDP, then you're fine. So I think Latvia is fine.

Molly O'Neal 50:17

That totally destroys the basis of the European Union. It's a customs union you can't selectively trade with with Latvia on a different basis than anyone else. I mean, that really, is really corrosive. I didn't know they'd said that. That's awful.

Uncorrected Transcript: Check against Video for Quotes

Anatol Lieven 50:36

Molly, a question, or rather a remark from the floor saying that the idea of military guarantees to I mean, really hard guarantees to Ukraine, is inherently empty, because after all, our governments have said and demonstrated again and again that they will not go to war to defend Ukraine. They will not send their own soldiers to defend Ukraine. European publics are strongly against it. And of course, the Trump administration, I mean, I suppose they could fall into a crisis which would something could happen that would bring that about, but it's certainly not in any way, part of their agenda. So, I mean, in fact, is all this talk of security guarantees for Ukraine just empty in the end.

Molly O'Neal 51:30

Well, NATO membership, I would think, would be off the table, possibly permanently, in that, my sense is that Russia has the upper hand militarily now, and would probably pursue the war rather than permit acquiesce and the idea of any eventual NATO membership. But I do think that there might be another formula for security guarantees that I don't necessarily know whether they would satisfy the Ukrainians that they were really solid enough, but I think that something like that is going to have to be part of formula for peace. There's going to have to be some level of guarantee. And also, of course, you know that some people are suggesting that European troops, or NATO nation troops, would be stationed on this truce line, or something like that, as peacekeepers. That obviously is not A, not something the Russians like very much, but some kind of security for stability, for this, whatever this new boundary is, would have to be part of it as well. But you know probably more than I do about this, Anatole, maybe Matthias as well the military dimensions of this. So it's obviously a very difficult puzzle to solve, but, but I think just allowing the situation to slowly escalate is very, very dangerous, and it does, I think, continue to promote very unhealthy developments in Europe.

Anatol Lieven 53:00

Well, yes, because there is, you know, there are more and more fears that the Ukrainian Front might actually collapse, at which point one would be in a deep crisis with really severe dilemmas for the Europeans and and America. I don't think that troops from NATO countries would be agreed to in any deal with Russia. I mean, but Russians have talked to me about the possibility of a substantial UN presence with large demilitarized zones, of course, on the Ukrainian side, not the Russian side, as they put it. I mean, there are, there are, you know, possibilities out there. But you know, in the end, of course, it has to be something that both sides will agree to. There's a question from the floor about, you know, a Putin Trump agreement, you know, resembling Munich and a, you know that as a prelude to further Russian aggression, I have to say, I mean, from what the Russian, the Russian simply dismisses absurd the idea of a, you know, a deliberate, voluntary attack on NATO as it now exists. They point, you know, to what's happened militarily in Ukraine and the lack of Russian interest. But on the other hand, what they point to is the possibility, I mean, as in Ukraine really, or in Georgia in 2008 of essentially a local crisis. And they point to Belarus there, then, without planning on either side, you know, dragging

Uncorrected Transcript: Check against Video for Quotes

both sides into a conflict or confrontation. Now, to avoid that would take a degree of i. I mean serious forward thinking on the part of the European Union, NATO, European countries and Matthias. Are we capable of that?

Matthias Matthijs 55:14

I mean, in of course we're capable of it, but are we willing? Right? I mean, it just seems to me, I mean, yesterday or the day before, was the first survey coming out of Ukraine, where 52% now want to stop fighting, right? They want, they want, they want this to end and end as soon as possible, not like end under certain circumstances and so on. But I think that is something that many people, especially in Western Europe, in Belgium, where I'm from, but places like Ireland that's traditionally neutral in Portugal, the further you get away from the conflict, they're like, I mean, honestly, why are we prioritizing this, right? What? What is what? Why is this so, so important? So that said, I think there is great enthusiasm amongst the European public for the EU to do more on the fence, right? Actually, way more enthusiasm from the public. It's the elites that are the problem, right? The national elites that want to keep this similar as as you mentioned Anatol on military procurement, right?

I mean, the the tragedy of the EU is that they don't it's not like Boeing or Lockheed Martin can say, Look, we're having jobs in 48 of the 50 states, and here we have 96 senators every time we need more subsidies who will support this. Right? It's much harder to do this in the European context, because, again, you have to pick winners, and winners have to then be based in in particular countries. And then is it well, why Poland and Spain and why Germany and not France? And it's always going to be like like this, especially from the countries that feel like they're paying in more into this, right? So, so yeah, I mean, I think in there may well be a lot of people in in Europe that are relieved that that Trump is the president and hence that this, this policy of, kind of like getting Ukraine closer to the west and making it your problem is going to go away. And maybe they may be naive thinking this, but I don't see a huge cohesion here, right? I mean, even Macron says one thing, but he always says in response to Schultz, right? And it's if those two don't think alike. I mean, like, yeah, we can talk all we want about how the center of gravity of Europe has shifted eastwards, and when it comes to defense, to some extent, that's true, but it's not true for everything else to do with European integration, right? I mean, Poland cannot claim to be a leader of the EU, if it's not even in the Eurozone, right, and then have no desire to enter anytime soon. And they know, they know absolutely why. So that's why. I mean, there's, there's more reasons to be pessimistic than to be optimistic.

Anatol Lieven 57:53

I mean, in in Berlin, a member of a German think tank said that, you know, as a result of the unreliability of France and the you know, the possibility of a Trump administration Germany would have to base its security and security thinking on Poland and its alliance with Poland and the Baltic states. Now, of course, I am a certain age, and so most of my friends, close friends in Germany or a certain age. But I ran this past the older generation of Germans, and they were not happy about German foreign and security policy being determined in Warsaw. Well, we

Uncorrected Transcript: Check against Video for Quotes

are at the end. I mean, perhaps just one final thought. Matthias, you you mentioned that, you know, we we're not looking at Ukrainian membership of the European Union within the next 10 years, or possibly even, you know, 2040 you know, in 2040 given what's happening to the climate and what could happen to migration, it could be, of course, that European priorities have have simply and wider world priorities have simply changed that we are living in a completely different world, and therefore that much of what we've been describing today is perhaps no longer relevant. I think you know, if you're looking at the kind of great historical patterns that underlie what we've been talking about today. I think it's worth you know, remembering that over a generation, an awful lot can can change. But well, I don't know. I made a I never remarked about this before, made it, made a date with a German friend to discuss Russia's achievement of liberal democracy and integration into the West in the same cafe in Germany, we made this date for 100 years from now, we will see anyway. Molly, Matthias, thank you both so much. Fascinating discussion. Thanks to the audience. I'm sorry I couldn't get around to all of your questions, and I hope that many of you can attend our next two meetings. Thank you so much.