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“Corona and American Diplomacy” – Robert Zoellick

Anja Schüler: Hello, and welcome to the podcast of the Heidelberg Center for American Studies at the University of Heidelberg. My name is Anja Schüler, and this week we will look at how the world perceives the United States in the Corona crisis. It is an honor and a great pleasure to have Robert Zoellick on the line for this, a distinguished U.S. diplomat. It is hard to *briefly* introduce him, so let me just mention two of his posts: He led the U.S. delegation to the 2 + 4 talks on German reunification, and he served as president of the World Bank from 2007 to 2012. I would also like to mention that he has just finished a new book entitled *America and the World: A History of U.S. Diplomacy and Foreign Policy*, which will be out in early August. Bob Zoellick is joining us today from Washington, D.C. Welcome.

Robert Zoellick: Thank you. Glad to be here.

Anja Schüler: It is great to have you. Right now, U.S. diplomacy leaves quite an ambivalent impression in Germany. In the decades since World War II, many Germans experienced the U.S. as a benign hegemon that provided global public goods out of enlightened self-interest, as a nation that has brought peace and prosperity to the North Atlantic region. The United States accomplished this not least by helping to create multinational institutions like the World Trade Organization, the United Nations, or NATO. Yet, a younger generation, for example our students here at the HCA, have a different picture. They increasingly view the U.S. as a country that drifts away from multilateral institutions or even actively undermines them. In the global pandemic, the World Health Organization is a case in point. It seems as if U.S. multilateral diplomacy that pursued long term goals is a matter of the past and has been replaced by transactional diplomacy, aiming at short term results. So let me ask you this, Bob, are the current developments in U.S. foreign policy really a consequence of the global pandemic? If we turn back time to January of this year, where did U.S. diplomacy stand before the Corona crisis?

Robert Zoellick: Well, first, thank you for the invitation to be with you. I recall it was almost exactly a year ago that I was at Heidelberg and had a chance to meet with some of the students, so it is a pleasure to do so this way as well. I think the starting point is to recognize, even before COVID-19, that Trump's foreign policy derived from his political origin. He was an outsider; he was a disruptor; he tried to capture resentments and a sense of victimization. And so, his key foreign policy messages were also political messages, and I would highlight four: first, watch how he focused on Mexico, the wall with Mexico, anti-immigration; second, trade protectionism. Both of these are issues he needs to keep boiling. He cannot solve them because they are a vital link to his political base and his authenticity as a different type of politician. Third, he wanted to get out of foreign wars and avoid military conflicts. So, even though he sounded bombastic, note that he has been in the process of pulling U.S. forces out of Iraq, Afghanistan, Syria, elsewhere. And fourth, as part of his uniqueness, he wanted to emphasize his difference from all predecessors of both parties. So, where they did not negotiate with North Korea, he would meet the leader directly. Where Obama negotiated a deal with Iran, he had to pull out, and he continues to try to diminish and blame his predecessors. So, as you said, it is a context in which the foreign policy is transactional; it focuses on deals, it is highly personal, and it is anti-institutional.

Now, if one steps back a little further, you could actually argue that President Obama began a pullback in the larger context: the shocks of 9/11; the long wars in Afghanistan and Iraq, which are always difficult for democracies to wage; the global financial crisis; some sense that allies were not sharing the burdens and costs of the alliance and economic order. But, of course, Trump has pushed this to an extreme. But what I want to focus on for your audience as well, is that the surveys from groups like the Chicago Council on Global Affairs have actually shown that public attitudes are still different from what Trump represents. Very large percentages, this is in the mid-70s, supported U.S. security alliances, including NATO and with Germany; large percentages, in the high 60s, believed that international trade is good for both the U.S. and the world; in the high 60s, you have support for the U.S. playing an active role in the world and, interestingly, they support shared leadership, not some dominant position; and large percentages wanted to maintain military strength, but they

emphasized for deterrence and defense, not for intervening. So, to put this in a larger context, I think it is also useful for a German or European audience to ask to what extent are Germans in Europe the outliers at this time. My own view, having worked on these issues for decades, is I think at the end of the Cold War, the European Union had a sense that there was a post-modernist, international rules-based cooperation, perhaps even sort of a general pacifism. You can see the strains of the Coronavirus within the E.U., which you are trying to deal with now. But I would mention that it would be important to watch other views in the world, for example, the view of China and Russia on power, even India, Japan, Southeast Asia, or events in Syria, Turkey, and the Middle East. So, this does not deny at all the sharp break that Trump represents, but I am trying to convey that, I think, we have got other forces going on here that are larger than him.

Anja Schüler: So, if I understand correctly, you do see a departure in U.S. foreign policy under the Trump administration. Would you say that the global pandemic amplifies this? In the German media, two moves have recently received special attention: the attempted takeover of CureVac, a German startup with promising work on a Corona vaccine, and the suspension of U.S. funding of the WHO. So, indeed, multilateral diplomacy seems to be a thing of the past.

Robert Zoellick: I was at the World Bank, as you mentioned, during the global financial crisis. I was there from 2007 to 2012, and I think, compared to that crisis, with all its difficulties, if you look at the G20 today and look at the G20 then, all countries are faltering. I believe that that highlights the larger costs of the lack of U.S. leadership or the transactional nature of the Trump administration. But again, one sees squabbles within the European Union, even at the start of the Coronavirus, about export bans within the European Union; now you have debates on fiscal support.

I think to really understand what is going on, it is important to examine levels of national response that are different from just what the leaders are saying. So, let me mention a couple of examples: One, interestingly, the U.S. Federal Reserve has done quite well not only for the U.S. but also for the international system. The Coronavirus has highlighted the importance of the U.S. dollar, including in the European Union

financial system. The U.S. Federal Reserve activated what are called dollar swap lines, which were also quite important in the financial crisis and which created dollar liquidity for European and other banks. For some developing countries, the Fed has also created what financial people would call a repo system to access dollars. So, at that level of the U.S. government, actually the response has been pretty good. I also always emphasize the need to focus on the private sector. In dealing with this Coronavirus, ultimately, we are going to be dealing with vaccines and medical research. As for the example that you cited of the takeover, I have seen that in the paper and I have also seen it denied. So I do not know the actual truth. It would not surprise me that people would acquire companies. This is going to be one of the challenges with medicines and vaccines, who is undertaking the research, who is going to get grants for production and their overall availability, which will undoubtedly be a stress point.

Interestingly, and this is another comment on both German and American society, in addition to the governments and companies, it is important to look at the non-profit sector. The Gates Foundation is the second-largest contributor to the WHO, and Bill Gates, who I think is a skilled leader, is investing in production possibilities for some eight different vaccines so we can be prepared. And of course, ultimately, in dealing with this virus, we are going to need to have transnational medical studies, including some greater clarity from China.

I am quite familiar with the WHO from my work with the World Bank. What is useful for your audience to recognize is that each of these multilateral institutions is unique, is *sui generis*. The WHO, by its very charter, is a relatively weak institution, and that is because its member states wanted it to be weak. Ordinarily, it can share information, but it cannot just launch its own investigations or enforce rules. Even compared to other U.N. agencies like UNICEF or the food program, WHO does not have the same field staff; they are dependent on governments. And there is an interesting example very few people have mentioned. When Gro Harlem Brundtland, a former prime minister, was head of the WHO about ten or fifteen years ago, she tried to enhance the WHO's role, and she got a lot of pushback from national capitals; they did not want the WHO to act independently. I think one needs to understand the unique challenges of multilateral leadership, whether it's WHO, WTO, World Bank, IMF.

My own sense is that the WHO director-general should have been more cautious with China; he was too embracing. I understand he wanted to try to get their help and support, but I will just give you an example. When I was at the World Bank – obviously, I am an American, but I have worked abroad – I had to pay attention to major funders, including European funders, but I also tried to act with some differentiation and independence. I had to be careful on how to do this. I remember having a different view with Germany, which I had good relations with, in 2012, when the big spreads for the Eurozone were widening right before the ECB intervened, and I was worried this could get out of control. At times I took different points of view from the U.S. government. So, if you are leading one of these institutions, you cannot totally break, you have to work with member governments. But you try to build coalitions. This example reflects some of the challenges that the WHO will face. I have seen in the English language press that Germany's health minister, Jens Spahn, has talked about trying to make the WHO better with various reforms, and that would certainly be the approach that I would take. A few years ago, we managed to get Taiwan to be an observer in the WHO, not a full member. Of course, Beijing pushed against that. I do not think that is good for the international system, but it reflects some of the politics.

Anja Schüler: Speaking of China and Beijing, you already briefly mentioned U.S.-China relations, and I would like to return to this now. In a recent article in *The Wall Street Journal*, you warned that we might stand at the beginning of a new Cold War, a cold war between the U.S. and China. What exactly does this mean, and what will the U.S. accomplish with these policies, if anything?

Robert Zoellick: I think the big issue here, the headline issue, is can the United States or, for that matter, the E.U. and others cooperate with China even though they are competitors and represent different political systems? Mine is a minority view in the United States. The current mood is highly contentious towards China. But, to offer context, I would share four points: One, it is important to observe China and President Xi Jinping's policies and how he represents change from his predecessor.

There is an anecdote that gives a good illustration. When Xi assumed office in 2012, he created a documentary film about the end of the Cold War, and he directed that all the party cadres view the film. Now, if such a film were shown in Germany, it would undoubtedly show Gorbachev as the hero who helped end the Cold War. Well, the Chinese version is a little different. It is basically how Gorbachev was the fool that abandoned the Communist Party, which led to terrible destruction and the breakup of his country.

The point is that the fall of the Soviet Union may be a historical event in Germany and Europe, but it still casts a long shadow in Beijing. And I think if Xi had been unable to contain the Coronavirus, it could have proven to be quite a challenge to the Communist Party's legitimacy. For those who know Chinese history, they will recall that disease, famines, and natural disasters often were seen as the precursors to the ends of dynasties. I think in contrast, though, because Xi has been able to control the virus – at least from what we have been able to know – he feels successful. And actually, he feels a little bit of hubris – I guess maybe the German word would be “Eitelkeit” – but Xi is still defensive and now increasingly feels victimized. That is a tricky combination.

The second point is to better understand China's approach to the world. I have described it as globalization, but with Chinese characteristics. And it has two tracks: One is to work with international institutions – such as the WTO, World Bank, IMF, U.N. – and to push them towards Chinese interests and norms. Now this is not really a surprise; all countries do it to a degree. What was more of a surprise is that, for the past couple of years, the United States backed away from these institutions. You are starting to see Trump now react to that mistake, but perhaps overreact and bumbling. But there is a second track that is also worth noting, the Chinese diplomatic tradition of tributary states. Under the Chinese tributary system, other countries could receive benefits from China as long as they paid homage to China, as long as they showed respect. And you certainly do not criticize the Chinese Communist Party or the rulers. In some ways, the Belt and Road Initiative is modeled on this system. I think these two tracks of Chinese diplomacy are proceeding in parallel.

Now, that takes me to the third point. What is happening with U.S. politics towards China? Trump began with a combination of confrontation and negotiation, fitting

what we talked about: his transactional nature. His focus was on the bilateral trade deficit. He really did not care about human rights. Earlier this year Trump concluded a phase one trade deal that was more managed trade than opening markets. Frankly, it is going to fall far short. Now, with the Coronavirus and the threat to his election, he is trying to shift the blame to China. Other Republicans have actually broadened the attacks. They are focused on human rights issues, Taiwan, events in Hong Kong, the Chinese military force in the South China Sea, and what they feel is unfair economic treatment. Then, that brings you to the Democrats, and, politically, they cannot look soft on these issues – and frankly, the Democratic Party tends to be more protectionist on trade. So, I think the Democratic response would seek to be more multilateral, it would try to work with others, but it is a little fuzzy because I do not think that they can return to the pattern with China over the past decade. Frankly, I would caution that it is likely to get worse as this election campaign goes on.

Now, a fourth point, however, and this is where I differ from many others these days, there is new conventional wisdom in the United States that cooperation with China was tried, but it failed. And I think this is flat wrong. And in pieces I have written, I focused on the work with China to deal with the proliferation of weapons of mass destruction and missiles, North Korea and Iran, changes in economic policy, also even some changes on environmental issues, cooperation at the U.N. Security Council. My point is not that all is well with China. I am not blind to the nature of the regime and what it does. But I have been trying to emphasize that we should not take results for granted. There is really no holiday from the work of diplomacy. I would take an alternative approach; I would try to identify an agenda of cooperation in which you seek areas or results, whether they be economic, environment, pandemics, security. We cannot address many of the problems we are talking about if we ignore or totally decouple from China. Two, I would work with allies and interests within China. This is getting harder now because the clashes are creating more of a break. But there are still groups and people in China with whom we could find shared interests. And third, you do not have to give up on your values even as you seek cooperation. Ronald Reagan, with some criticism at the time, managed to push principles even while advancing negotiations. He always emphasized human aspirations with the then Soviet Union. He managed to speak to the Russian people beyond the regime. I think when we slip into insults or name-calling, we are not going

to appeal to the Chinese public. I think this is going to be one of the big challenges for whoever wins the next U.S. election.

Anja Schüler: As you mention the election, that brings me to my last question – how all these scenarios play out with the November elections in mind. We have a rough picture of what to expect from the current administration, but what kind of diplomacy would Joe Biden stand for as president? Could we maybe expect him to return to a more cooperative approach? And what would be Europe's place in that scenario after the election?

Robert Zoellick: Well, let us start with Trump. His policies are very personalized and transactional, not based on an ideology. So, it is not clear what Trump would be like in a second term. I am afraid he would probably feel confirmed in his behavior, so his disruptions could be exacerbated. On the other hand, he might adjust to reach for a legacy. As for former Vice President Biden, clearly, it would be a change, but the full picture is not clear. I know him relatively well, and I think he would personally reflect his experience and the traditions that he is comfortable with, but, as we have discussed today, there are changing circumstances both at home and abroad. So, I think he would want to try to be more multilateral, work more with allies, but the actual steps are a little fuzzy. I suspect you would see more activity on climate change; on trade, they would probably be cautious because Democratic constituencies tend to be protectionist; on China, they would have to figure out some way to stand up to China while also seeking to work with China. So, I suggest that the U.S. and allies and partners should identify alternative agenda. Just to give you an example, if you think about what our citizens care about, my agenda would include biological security, including, by the way, biotech development. We are at a point now in the U.S. where we have lost more lives in the pandemic than in the Vietnam and Korean Wars. So biological security is certainly important; inclusive economic recovery and opportunity – we still have to get out of this mess, and we need to do so in a way where the rising tide lifts all boats; environment and energy security, including climate change; digital security while also welcoming innovation. The ongoing problem of proliferation of weapons of mass destruction and also regional hegemony, whether it be Iran or North Korea or other challenges of terror and public order, while

also respecting the legal system. A bigger question: the future of freedom and then the future of China. So, I would use alliances and partnerships as vehicles to advance this agenda.

Then that brings me to your point about Europe. You and your listeners would have a better sense, but I think many of the items on the list that I have mentioned would probably be good topics in a transatlantic discussion. One of the points I made in that *Wall Street Journal* piece you mentioned was that Europe could prove quite vital related to China because I think Europe has enjoyed China's benefits, but it has also seen the sharp teeth of China. I expect most Europeans do not want to become tributary states of China, but maybe they could turn toward a neutrality toward China. If I were running U.S. policy, I would use an agenda like the one I mentioned, and I would try to shape a common agenda with the European Union and the U.K. I want to draw attention to the U.K. here, because when I have had recent conversations with audiences in Berlin and Paris, and all of a sudden the U.K. drops off the map, which I do not think is wise. The bigger question for Europeans will be can Europe shape a strategic perspective? I belong to a small group that discusses this topic with Henry Kissinger regularly. One issue that he has highlighted is whether the preoccupations within Europe will lead it just to become a strategic appendage of Eurasia. Understandably, Europe has its own internal preoccupations, as the U.S. does, or Australia or other countries these days, but will it also recognize that the world of power and rules is changing and it is changing in significant ways, which will require efforts at both cooperation but also at deterring conflict. So, from a U.S. point of view, while I would not expect there would be a full agreement with Europe on these topics, in the part I have seen, the dialogue and discussion was fruitful for both sides. That really is not happening now. I would like to think Biden would move more in that direction, but I think people would also be misleading themselves if they expect that everything would go back and would be happy and smooth. These issues relate to fundamental fissures that are not going to be easy to overcome.

Anja Schüler: So, as with the pandemic, we probably will not go back to the "old normal" in U.S. diplomacy. Thanks so much, Bob Zoellick, for this opportunity to speak with you and for your insights. That concludes this edition of the HCA podcast. As always, I would like to thank all our listeners for tuning in, Julian Kramer for

technical support, and Thomas Steinbrunner for composing our podcast audio logo. We will be back next week when we hope to talk to two HCA students that are currently in the U.S. about their take on the pandemic and the protest that has erupted after the death of George Floyd in Minneapolis. Until then, we hope that you will stay safe and healthy.