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A New Transatlantic Agenda

IN FOCUS

Challenges and Opportunities
in the Trump Era

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Executive summary

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Donald Trump's upcoming visit to Brussels for the NATO summit on 25 May will be his first trip to Europe as President of the US. In order to turn that meeting into a success and the relaunch of the transatlantic partnership, European leaders should keep in mind the following points:

- The US government is *de facto* a coalition of a national populist movement and a broad spectrum of Republicans. Unlike European coalitions, this one cannot collapse but it can become dysfunctional.
- President Trump and many of his colleagues have limited government and political experience. It will take longer than usual for this Administration to find its footing. During this extended transition, Europeans should not expect strong American leadership on common challenges.
- As more experienced Republicans enter the Administration, the President will modify many of his populist positions to accommodate their more establishment views. On trade, immigration and Russia, one will see policies that are closer to the Republican norm even though the populist wing of this government will try to avoid compromises.
- This populist group, embodied by Chief White House Strategist Steve Bannon, is opposed to most Europeans' understanding of the West, liberal democracy and the liberal international order. This should be a matter of concern to European leaders but it is unlikely that these views will ultimately hold sway in the White House.



- Despite temporary and longer-term differences in outlook and values with the US, Europeans should signal an openness and willingness to work with the US on the most pressing common challenges. Rather than lecture the new President on his style and more populist views, they should present him with concrete ideas on how to deal with Syria, terrorism and Russia.
- Europeans should also respond to President Trump's on going concern about burden-sharing. Europe will have to do more for its own security and defence needs.
- At the same time, European leaders need to point out that the US needs allies and that Europe, along with Japan, is the best source of available cooperation and support in dealing with economic and security threats.
- Europeans should also respond constructively to President Trump's concerns about inequitable trading relationships. American corporate leaders are already pushing for a more temperate tone at the White House. Europe should respond by offering to restart negotiations on a transatlantic trade agreement that would address the issues of economic dislocation and globalisation.
- There are many differences between Americans and Europeans in terms of values. Europeans need to focus on those differences that actually impact US-European relations. Some value differences in the security and economic spheres are significant and should be addressed in a spirit of openness and respect. Other differences may be stark but irrelevant to the core tasks at hand.
- Above all, it is important that EU member states remain united, and not let their narrow national interests create divisions or prompt the US to take sides with one group of Europeans against others. This unity has to extend to Washington where national embassies frequently interpret European positions along national interests and concerns.

Keywords NATO – Transatlantic New Deal – Culture war – Russia – China – Counter-terrorism



Introduction

Donald Trump's election to President of the US in November 2016 might well become one of the most momentous events in the relationship between Europe and North America since the end of the Cold War. Although this relationship has already gone through substantial changes in the last 25 years, the current challenges seem more formidable than many of the past crises. External threats to Europe and, to a lesser extent, America are intensifying. Rather than unifying the West, these challenges have provoked internal divisions within the transatlantic community that are greater than ever before. These divisions are most prominent in relation to security and foreign policy. However, despite a deep economic and financial relationship, the Atlantic fissures also extend to economic and trade policies as the collapse of the Transatlantic Trade and Investment Partnership (TTIP) negotiations underscored. At the root of all of these tensions are growing differences on cultural values and identity between Americans and Europeans.

Many commentators have questioned the future of the West because of the current lack of common purpose and strategic coherence. Indeed, there are voices on both sides of the Atlantic who wonder whether the old relationship is worth salvaging. Yet, the fact is that most of the major challenges facing both the US and Europe can be best addressed through cooperation rather than unilateral action. The current crisis in the transatlantic relations should be used to rethink how this partnership is constructed and operates so that we can have a more sustainable relationship characterised by more equitable burden sharing and stronger mutual respect.

External environment: Intensifying threats and challenges

The transatlantic community was built upon the assumption of solidarity in the face of common threats and the most prominent threat for many years, the Soviet Union, was one that both sides of the Atlantic recognise. Today, the current situation is very different. Europe is faced



with serious security problems on its eastern and southern borders. The US is also confronted with threats but they are less immediate and, under the current Administration, they are largely defined in economic terms. With the exceptions of threats to American allies from nuclear powers Iran and North Korea, the US lives in a secure region where even refugee and immigration issues can be handled more easily than in Europe. Nonetheless, the transatlantic community, as whole, does face a number of immediate and long-term threats.

The first and most obvious is a newly imperial Russia that has developed a complex arsenal of tools for destabilising its European neighbours and the US. Putin's Russia has turned back the colour revolutions of the past decade and reintroduced hardball politics to Europe through intimidation and, in some cases, actual border changes. While military power is still central to the Russian strategy, it also uses cyber-attacks, email hacking and other hybrid tactics to disrupt and undermine western democracies. The Kremlin also uses a simple weapon, money, to extremist political parties and movements as well as television networks and other media that follow its guidance and generate fake or slanted news. All of these tools are deployed in order to shape political decision-making and to influence Western election campaigns.

For the countries on the Eastern flank of NATO and the EU, Russia is clearly the single biggest problem. In the rest of Europe and in the US, it is certainly seen as a threat. The fact is that most political leaders and policy makers in the West see Russia as a challenge in Europe and, increasingly, in the Middle East but they differ greatly on the severity of this threat and on how to respond to it.

The second set of challenges are instability in the Middle East and jihadist terrorism. Donald Trump ran for office on the argument that terrorism and radical Islam were the most salient threats facing America. Even those who see Russia as the preeminent challenge are also quick to acknowledge the disruptive power of domestic terrorism and endless violence in Syria and other Muslim countries. And indeed, having destabilised the Middle East, jihadist terrorism also continues to pose a clear and present danger to homeland security and the citizens of the West. Moreover, while Islamism is often non-violent, its values and general outlook pose a fundamental challenge to social cohesion and the openness of European societies. Syria, Yemen and Libya seem to be caught in never-ending civil strife. Iran has become an enabler of terrorism. A regional power rivalry between Saudi Arabia and



Iran, with Turkey and Egypt as additional actors, might yet produce new wars and also an extremely dangerous nuclear arms race. Again, there are many differences within the US and Europe on the urgency and magnitude of these two threats. If you are seated in Germany or Sweden, the threat seems very immediate and real. But, in other countries, it is hard to find support for aggressive military and police action against Islamic fundamentalism and its terrorist spawn.

Finally, China, emboldened by Russia's successes in Ukraine and Syria and the apparent weakness of the West, is increasing oppression at home including Hong Kong, and continuing territorial and political expansion in the region. North Korea has become more than a regional threat – and China seems hesitant to reign it in. A global economic and political power shift from the Atlantic to the Pacific that has been going on since the 1990s is complicating the situation.

Although the Trump Administration has emphasised the economic threat of China, the very real security challenge posed by North Korea has brought the Administration's rhetoric more in line with previous American governments. Europe too sees this threat but, unlike the US, it does not have major security commitments in Asia. In fact, one striking difference between the US and Europe is that the foreign and security policy community of the former has a focus on the impact of China and North Korea on Japan and South Korea, two long-standing American allies. In Europe, these two countries are rarely mentioned and, if so, as factors that complicate strong economic ties with China.

These three developments are creating a level of unprecedented challenges to the West. In this situation, Europe and North America cannot afford to be at loggerheads over how to manage these threats. Yet, at this point in time, it is not entirely clear that the US and the EU are able or willing to find common ground so that the West can provide a unified and comprehensive response to Russia, China and radical Islam.

American Uncertainties and European Weakness

The transatlantic partnership is in a state of disrepair. While a robust economic relationship exists, the depth and breadth of these ties do not



translate into a strong, cohesive US-European approach to foreign and security policy. There are many reasons for this state of affairs, including the simple fact that the institutions that have supported and promoted cooperation for sixty years were designed for a different age and a different set of threats. However, there are also specific developments in the US and in Europe that exacerbate the situation and prevent true cooperation on new as well as long-standing threats.

The new administration in Washington

This administration is in many ways unprecedented. The US is now ruled by a *de facto* coalition of populist partisans and the Republican Party. The first group is small, new to politics and government and often undisciplined in its rhetoric and actions. The second group is much larger and more ideologically diverse. In the early days of the Trump Administration, the establishment forces seem to have the upper hand but the President himself often listens to his populist advisers and promotes ideas that make Republicans cringe. A durable peace may be possible between these two unlikely partners. In any case, the tension between them may define the Trump Presidency more than any other factor.

The Trump Presidency may also be defined by its relationship with the Washington establishment. Much of Washington's political, media and think tank elite were opposed to Trump during the campaign and continue to be opposed to him as President. Yet, Republicans in Congress have been wary of clashing with a President who can ignite a firestorm among conservative and populist votes simply by tweeting his views on a person, policy or proposal. Combine this form of communication with Trump's unwillingness to adhere to the conventions of political communication and you have a very new kind of political power.

But, because it is new, untested and inexperienced, this administration is going to be less predictable and less professional than any other previous administration in living memory. To date, the Trump strategy has relied heavily on executive orders to remove burdensome regulations, rethink major trade policies and refocus foreign relations. His first real legislative project, replacing Obamacare, fell apart because House Republicans were too divided and too unprepared to support of clumsily constructed replacement program. The President's difficul-



ties, however, extend beyond the Congress or the internal war within the White House. Attempt to reform and reorganise major departments and agencies have been stymied by leaks to the media and inaction by civil servants and holdovers from the Obama Administration. The Trump team has been slow to put political appointees in most of the key areas of government and the price has been an inability to implement new policies on the environment, business regulation and other areas. Even more than other parts of the Federal administration, the State Department is paralysed by a reluctant attitude of many of its staff and the lack of Trump loyalists in the upper echelons. Because the National Security Council (NSC) is now under strong leadership and relatively well staffed, it is driving foreign policy rather than the State Department.

The President has also been weakened and hampered by a continuous stream of stories and speculations about links between the Trump campaign team and Russia. This issue continued in the new Administration when General Flynn, the chief protagonist in many of these stories, was appointed National Security Advisor. His resignation from the NSC, the appointment of General McMaster as the new NSA and his willingness to challenge Russia in Syria reduced some of the concern about Russian influence. However, the firing of the FBI director, James Comey, has revived speculation due to his role in investigating ties between Moscow and Trump's circle of friends and business associates. It is unlikely that Russia will do in the Trump Administration but it is clear that a 'reset' in the relationship will prove to be politically difficult.

Another potentially destabilising factor is the Administration's relationship with Congress and, more broadly, with the Republican Party throughout the country. Right now, Republicans seem unlikely to lose their double majority in Congress despite the low approval ratings for the President. However, Republican hopes for dramatically expanding their majority in the Senate, where nine Democratic incumbents are running in States that voted for Donald Trump, have ebbed somewhat as the President's popularity has waned. The solid Republican majority in the House (241 vs. 194) also does not look threatened. The Republican Party, which also currently holds a record number of governors (33 vs. 16), seems younger, better organised and more united than the Democrats. In today's volatile environment, this may change over time, but for the moment, it is a fact to be reckoned with.



The Democratic Party is weakened, after the shock of the November 2016 election. It is divided between an economic Left whose champions are Senators Bernie Sanders and Elizabeth Warren and an ‘identity’ Left comprised on an unlikely coalition of the very poor, minorities of all stripes and the new financial and technology elite. This latter group was really formed during the Presidency of Bill Clinton who was willing to provide gay, women and minority activists unprecedented access to the White House in exchange for their support of trade and investment policies aligned with the upper ‘1%’ of income earners. It is this group that is sponsoring and organising #resist activities in almost every Congressional district as well as raucous street demonstrations, protests and other events at universities and colleges. They are also the promoters of the boycotts of companies deemed close to the Trump administration (e.g. Uber).

While the ‘identity Left’ has been front and centre in the media, many of the economic left have been urging their leaders to take positions on trade and investment that sound almost identical to those of Donald Trump. Elizabeth Warren is a firebrand in attacking Trump’s handling of James Comey but remains very silent when the President talks about ‘lousy trade deals’ or countries that are ‘currency manipulators’. Contributions to Democratic causes and candidates of all stripes are growing but it is not clear that the Democratic Party has a coherent message other than #HateTrump.

A chaotic Presidency, a leery Congressional leadership and a divided opposition would seem to be a recipe for disaster. Many in the States as well as in Europe have been asking whether American democracy is broken and needs radical reform.¹ However, despite scary headlines about the emerging ‘Trump tyranny’, the Judiciary and Congress have proven to be sufficient checks on the most autocratic tendencies of the President. And, it is important to note that the President’s use of executive powers to implement his agenda were also used to almost the same extent by Barack Obama. Moreover, as the populist wing of the Administration fades, there will be less pressure on Trump to act unilaterally and against the wisdom of his Republican allies. American democracy is old, resilient and strong. It would take more than Donald Trump to seriously weaken it.

¹ T. Snyder, *On Tyranny: Twenty Lessons from the Twentieth Century* (New York: Tim Duggan Books, 2017).



The EU in an existential crisis

Much has been written about the accumulating crises facing the EU. The most pessimistic saw 2017 as the beginning of its end due to the Brexit vote and Trump victory in 2016 and the threat of populist wins in key European elections this year. But that gloomy outlook has given way to a slightly more balanced mood five months later after a string of promising electoral results.

The victory of a Green over a nationalist candidate in the Austrian presidential election in December 2016, the better than feared result of the Dutch election in March 2017 and the Macron victory in France all demonstrate Europe's anti-populist backlash. This does not mean the end of strong populist parties in Europe, but it provides some breathing space for Europeans to rethink the EU with a focus on reforms that address the concerns of some populists but do not require a formal treaty change.

Around the 60th anniversary of the Rome Treaties, there is a consensus forming that enhanced cooperation is the key form of progress in the near future, and that in a new kind of multi-speed Union, countries will move ahead in different groups according to topic. That means that three patterns of thinking about the EU, for the moment, seem to belong to the past: 'More Europe' as a panacea; 'Core Europe' as a central group of countries moving ahead in all fields, resulting in a two-speed Union; and old school federalism as a broad-based transfer of competences to the EU Commission and the Parliament. The future will be more colourful, and borne by inter-governmental decision-making.

Whether this results in more efficiency in dealing with external actors, such as the US, remains to be seen. But a departure from the old, time-honoured certainties of the Brussels Bubble is certainly progress. In order to be a successful driver of a new transatlantic relationship, the EU will have to shape up in its decision-making procedures as well as its economic performance. The latter issue may be facilitated by Macron's victory in the French presidential elections and, therefore, a receding mood of panic about nationalism and populism in the EU itself.



A widening cultural gap between both sides of the Atlantic?

Since the 1960s, the US and Europe have grown apart on a host of issues related to social standards and relationships. The ‘culture war’ includes such issues as abortion, gun laws, gender and transgender policies, global warming, immigration and integration and church/state relations and the role of religion in the public sphere. Over the last decades, societal and political cleavages over these questions have deepened on both sides of the Atlantic.

On some topics such as immigration, the differences are not great. While different aspects of this issue are more prominent in some countries, the challenge of managing immigrants and integrating them into host countries have polarised publics on both sides of the Atlantic. While European governments are quick to claim a moral superiority from the US on this issue, a recent Pew survey suggested that majorities in seven European countries would support legislation similar to the Trump ban on Islamic immigration.

The importance of culture wars in Transatlantic relations is greater now than in the past because of there is no strong compelling sense of common interest within Europe or across the Atlantic. Big value differences were not a barrier to significant deep cooperation during the Cold War because Americans and Europeans had a common threat and were willing to put to the side contrasting views on many issues. Now, cultural differences on the role of military force, the use of genetically modified organisms (GMOs) in agriculture, the application of new technologies for surveillance and intelligence gathering and many other topics are constantly coming to the fore in transatlantic discussions because there is no practical, strategic reason to ignore them.

The Trump election has exacerbated one specific topic of difference – nationalism – and has generated more attention than may be warranted in the European press. A few key advisors to President Trump take a strong view in favour of nationalism and, predictably, are very critical of attempts to pool and reduce national sovereignty like the European Union. This ‘anti-EU’ sentiment is not as widespread as many in Europe would like to believe. In fact, many of President Trump’s key advisors



take a very different view and support the EU even if they are critical of its bureaucracy and slow decision-making.

However, the presence of this small minority within the Administration has provided fuel to an already growing anti-American movement in Europe. There has always been a strong anti-US faction in European politics. In the aftermath of WWII, Communist parties in France, Italy and elsewhere were the driving force. In the 1960s and 1970s, the student left and the emergence of a group of prominent intellectuals with an anti-American tilt fuelled this viewpoint.

The Presidency of Ronald Reagan and his strong anti-Soviet rhetoric and even stronger commitment to the use of military power prompted massive demonstrations in Germany and elsewhere in Europe. While these sentiments cooled during the Clinton years, they grew under George W. Bush around the Iraq War. On the one hand, French philosopher Jacques Derrida and German philosopher Jürgen Habermas were arguing that the European protests against the Iraq war in 2003 had become equivalent to the birth of a new Europe.² In that perspective, the spat over Iraq only went to show a much more systemic antagonism between Europe and the US.

On the other hand, many US conservatives also felt that between them and at least the major powers of the continent, Germany and France (Donald Rumsfeld's 'old Europe'), there was a growing political gap. That feeling was popular beyond the narrow circle of neoconservatives. In 2003, the US strategic posture already became transactional in a way as the US built a 'coalition of the willing' rather than work with European institutions and frameworks. However, at this same time, American policy makers, pushed by American companies, came to realise that the EU was a permanent element of the transatlantic world and American policy need to adopt to this reality. This is one reason why President Bush gave his first major European speech of his second term in the heart of the European Quarter of Brussels. Barack Obama's presidency seemed to mark a continuation of Euro-American rapprochement. But in the NSA affair and at least in regard to Germany and some smaller countries, cracks quickly reappeared. This again had an intense, and in Europe still underestimated, effect on US conservatives who saw how many terror

² *Faz.net*, 'Nach dem Krieg: Die Wiedergeburt Europas', 31 May 2003, accessed at <http://www.faz.net/aktuell/feuilleton/habermas-und-derrida-nach-dem-krieg-die-wiedergeburt-europas-1103893.html> on 22 May 2017.



attacks in Europe were prevented thanks to information gained by US services, and yet felt unfairly accused by Europeans whose attitude on privacy is seen as highly hypocritical by many on the Right in the US.

Tackling the three spheres of transatlantic relations

The challenges facing the transatlantic community are significant and there is no clear path for addressing them. As the following demonstrates, the old assumptions of how the US and Europe work together are no longer completely applicable. Yet, the alternative to the old way of doing business has not yet emerged.

Security: improved burden sharing?

America's overstretch as global power has been a constant theme of Trump's election campaign. American frustration about a lack of allies' burden sharing is as old as the alliance itself. Yet, the prominence of this topic in recent years is significant. Almost every candidate in the 2016 Presidential primaries, Democrat and Republican, felt a need to complain about Europe's unwillingness to defend itself. Even before the 2016 election, American policy makers were frustrated by Europe's slow response to multiple threats and by the assumption among European leaders that the US would guarantee their security under any and all conditions.

Among NATO's European members, it used to be understood that Russia's acts of military and hybrid aggression made further defence budget cuts untenable. But the commitments of recent years, to bring defence spending to 2% of GDP were only treated seriously by a small number of countries who are directly exposed to the Russian threat.

The 2% target is a weak standard for three reasons. First, the amount of spending says little about on what and how effectively it is spent.³ Some countries show increases simply because of increased pension and salary costs while other countries are investing in new hardware.

³ *Deutsche Welle*, 'Germany mulls a real, but unrealistic, pledge on defense spending', 24 February 2017, accessed at <http://www.dw.com/en/germany-mulls-a-real-but-unrealistic-pledge-on-defense-spending/a-37709485> on 22 May 2017.



Second, the sharp and critical rhetoric of the President and his key Cabinet members may have an unintended negative consequence. Any European politician who advocates for a strong rise in defence spending is instantly painted as Trump's poodle by their political opponents. This tactic will be especially on display in Germany in September when Social Democrats, Greens and post-communists are likely to play that card against Angela Merkel. Third, many southern European countries have not recovered from the 2008 financial crises and simply cannot raise defence spending at this time. For these countries, there is also limited popular support for a stronger military because the citizens of Italy, Spain or Portugal do perceive the Russian threat as a serious one.

Vice President Pence and Defence Secretary Mattis have encouraged Europeans to come up with concrete plans for addressing their security needs by the end of the year. But, if a transatlantic train crash over security burden sharing is to be avoided, both sides will have to move beyond current rhetoric. Europe will have to increase its pledges and be more specific about how new money will be used. Having made the point that more is better, the US administration will have to show more enthusiasm when Europeans follow this call. The recognition of the Baltic countries' efforts by senior Trump officials at the Munich Security Conference and in Washington suggests that they understand the need for positive incentives as well as veiled threats.

The other thorny issue here is the question of how much the Europeans in NATO can contribute to security on the continent's Southern flank as well as in the Middle East. The US has been clear that Europe needs to take the lead in this region. The willingness of the Trump Administration to attack Syrian airfields in response to the April gas attacks should not be interpreted as a change in American policy. Europeans within NATO should be more ambitious and draw up plans for direct military involvement in the Middle East – also in creating safe havens for civilians in Libya or Syria, but especially in the operations to liberate Syria, Iraq and Libya from IS. In view of the deterioration of EU-Turkey relations, this may actually become difficult within NATO, and some force projection must be possible outside the alliance – that is to say, through the EU.

While EU defence cooperation must improve, it should be kept realistic. The exit of Britain from the EU could dramatically reduce the Union's



military resources and access to sophisticated intelligence. Maintaining a strong level of cooperation with the UK should be a priority for EU negotiators. While NATO will still be a forum for the US, UK and much of Europe, this institution is constrained in dealing with challenges in the Middle East due to Turkey's opposition to a role for the alliance in that theatre. With a clear link to the UK, the EU should develop its military intervention capacity in order to render its diplomacy more robust. Constantly improving and deepening NATO-EU relations will be decisive.

Economics: Trade war or a Transatlantic New Deal?

'Bad trade deals' was one of the staple accusations by Trump during the election campaign. China, Japan and Mexico were in the limelight during the transition and in the early weeks of the new administration, but Europe and especially Germany have become a special target of the President. In tune with the new economic nationalism preached by Bannon and his associate, Peter Navarro, hefty tariffs have been threatened against those countries that engage in 'unfair' trading practices. Some people in the Trump inner circle have a strong preference for bilateral relations over multilateral or supranational ones. The EU is viewed as sinister and manipulative by this crowd and Germany, as the de facto leader of Europe, has been singled out for some of the harshest criticism. Its export surplus is prima facie evidence of unfair trade in the eyes of these economic populists. But Germany also stands accused of currency manipulation by keeping the Euro artificially low.⁴ It should be noted that both views are held by a good many Europeans, especially those in the south, who do not appreciate the strong role that Germany has assumed in EU decision-making.

Many in the White House including Gary Cohn, the chair of the National Economic Council and Robert Lighthizer, designated US Trade Representative, take a different and more conventional view on these matters as do most of the Republican leadership in the House and Senate. Nonetheless, Europe and Germany should not assume that this problem is temporary or isolated. Even the moderates in Washington wonder if German dominance of economic decision-making in Europe has gone too far. Trump's populist supporters want to see a President who is tough on trade and Europe is a good target for his rhetoric if not his actions. But all policymakers, Democrats and Republicans, are worried about job creation, investment

⁴ S. Donnan, 'Trump's top trade adviser accuses Germany of currency exploitation', *Financial Times*, 31 January 2017.



and trade. In this political environment, Europe and especially Germany is a logical target.

The EU should respond to these accusations and do so with great vigour.⁵ First of all, it has to be made clear that bilateral, country-to-country negotiations when US-EU trade is concerned, will not be accepted, although EU-US trade will, of course, be a topic of bilateral talks between the US Government and individual European leaders. Some countries, like Germany and France, have the ability to influence EU policies on trade and competition but influence is not the same as having the right or ability to negotiate independently from the other member states of the EU. Americans, and not just the populists, resent the way that they are bounced back and forth between Brussels and key capitals on sensitive issues. Europeans need to address this problem if they are going to make the case that the EU and not Berlin is really in charge.

Second, Europe should encourage European and American companies to actively lobby the White House so that there is a clear understanding of how disastrous a trade war would be for both sides. Trump listens to CEOs and he will understand their concerns about how hostile acts would disrupt supply chains and investment in the US. Finally, corporate representatives and American political leaders need to make the President aware of the consequences of a unilateral decision to raise tariffs. According to European business, WTO rules would very much allow European retaliation against US companies if the US were indeed to raise tariffs of 35%, as threatened. But retaliation against US measures should only be a weapon of last resort.

But the EU has its own problems with global trade. The European Left and the populists of the Right, in Austria, France, Germany and elsewhere, have a trade agenda that is hardly free trade and, in many ways, is more protectionist and nationalist than anything produced by Navarro and Bannon. The defeat of TTIP through smart Green and NGO campaigning⁶ as well as the drama over the ratification of the EU-Canada FTA, highlight the need to address trade more strategically in the EU itself.

⁵ Konrad Adenauer Foundation Analyse and Argumente Ausgabe 248, *Die Zukunft der deutsch-amerikanischen Beziehungen (I): Handelspolitik*, 17 May, accessed at http://www.kas.de/wf/doc/kas_48832-544-1-30.pdf?170522080844 on 22 May 2017.

⁶ M. Bauer, *Manufacturing Discontent: The Rise to Power of Anti-TTIP Groups*, European Policy Centre for International Economy, November 2016, accessed at <http://ecipe.org/publications/manufacturing-discontent-the-rise-to-power-of-anti-ttip-groups/> on 22 May 2017.



Brexit may also make transatlantic economic relations more complicated. The UK now has a special need for support from the US and President Trump as was highlighted during Theresa May's recent visit. We will see if Donald Trump's upcoming visit to Britain sounds the same themes despite the promise of massive anti-American demonstrations in London. Whatever Trump may promise at the moment, it is highly unlikely that the UK actually gets a deal better than what it currently has as part of the EU. We should expect that the UK begins negotiations with the US and other countries well before it officially leaves the EU. As one EU official told us, 'there is really not much we can do to prevent it other than tell them that they promised not to do it'. It may not be as good as the resulting relationship with the EU but it could make Brexit much more palatable to the British public.

The EU could prevent a great deal of tension with Washington around Brexit by doing two things. The first is easy: the EU should promise to consult with the US on major issues in the Brexit negotiations that have consequences for American security and American interests. Consultation does not mean bringing the US into the process but it would provide a means to defuse legitimate American fears that Brexit will harm the US. The second is more complicated: the EU needs to have one voice in Washington on Brexit and other issues. Right now, the Member States all espouse their commitment to the EU but talk about national interests and risks when their Ambassadors and other officials meet with policy makers. Brexit will be a complicated issue for Washington. Europe should make it less complicated by discouraging its members from confusing the debate by advocating positions that are not in line with EU doctrine.

Finally and most importantly, the adherents of free trade on both sides of the Atlantic should actually act on the pompous statements that they frequently make when they are in front of the media. The EU-US relationship has become sclerotic in many ways. The principals talk about the virtues of free trade but then back down when they have to face the most organised and outspoken opponents in America and Europe. Supporters of free trade need to go beyond politicians and enlist corporations in this process. European actors may also want to talk to individual states of the US in this effort. It is of utmost importance to not make this only a 'negative' project, preventing the worst from happening, but that in cooperation between both sides of the Atlantic, a positive agenda is developed that takes into account the failure of TTIP and the popular anger against



free trade on both sides, and that demonstrably helps small and medium companies grow and consumers benefit. A sort of Transatlantic New Deal should be tackled, and given high priority in upcoming months.

Transatlantic culture war: How to diminish the gap

In the eyes of many US conservatives and centrists, the EU has come to be associated with big government, economic interventionism, LGBT rights, an overly ambitious climate change policy, and migration policies that endanger free speech and enlightenment values. Moreover, Europeans, enthralled with the Obama administration's overt support for a strong EU and its rejection of Brexit, generally ignored Republicans and conservatives in Washington on the assumption that the Clinton Administration would mark a new apex in US-EU relations. In the end, there was and still is a great gulf between most Europeans and the people who control the Presidency and the Congress.

On top of this, with Steve Bannon in the White House, a new sort of anti-Europeanism has emerged among a small but potent and provocative segment of the political landscape.⁷ Bannon and his followers not only reject what the EU stands for in terms of supra-nationalism, but is also opposed to many of the values at the heart of the European project. This nationalist-populist ideology is indeed incompatible with the substance of what European liberal democracies stand for. It would be a great concern if Bannon was a dominant figure in Republican politics or in the Trump Administration. But, he is not at the centre of Washington thinking. This is not to say that his sharp rhetoric and inflammatory polemics should be ignored. His open support for European nationalist populists such as Marine Le Pen and Nigel Farage should be clearly answered by warnings from Europe's mainstream parties. But Europeans need to be careful not to conflate his views with those of the Republican mainstream. While Bannon rejects the EU and its values, the latter group tolerate and even support the EU as a means for promoting peace and prosperity in Europe.

But beyond the question of the EU as such, there are some areas of policy where Europeans should show listen more and talk less. On immigration, for example, European citizens are every bit as worried by

⁷ M. Crowley, 'The Man Who Wants To Unmake The West', *Politico Magazine*, March/April 2017, accessed at <http://www.politico.com/magazine/story/2017/03/trump-steve-bannon-destroy-eu-european-union-214889> on 22 May 2017.



the integration problems of Muslim immigrants as Trump's voters are.⁸ And yet, reading European comments on Trump's 'Muslim ban', one might gain the impression that US voters are crazy whereas in Europe, 'Islamophobia' is just the problem of a few countries without significant Muslim immigration, or of a bunch of far right parties. The short but intense Swedish-American and also Euro-American controversy over what happened #LastNightInSweden⁹ shows that there is no reason for European complacency here, but that many European governments, police forces and public media are demonstrating levels of *de facto* censorship that one would not expect from liberal democracies. The collective state of denial in Germany about the problems of uncontrolled mass immigration in 2015 is no good basis from which to criticise the alleged bigotry and short sightedness of the Trump administration's immigration policies.

On many culture war topics, it should be emphasised in transatlantic communication that there is no EU competence here, and that these questions are dealt with on member state level (with the resulting differences, just as there are fundamental differences between the States of the US in these matters). On some issues, like abortion, Europe has addressed this controversial topic and there is a broad consensus on how to proceed. The same is not true in the US. However, on some issues, like gay and women's rights, one could argue that much of America has been ahead of Europe in the pursuit of inclusion even if the American debate is louder and more agitated on issues like requiring 'transgender' bathrooms.

When discussing the question of America's global role, Europeans might want to point out that there is a tension between 'Making America Great Again' through a strong emphasis on national interest and the maintenance of strong alliances in Europe, Asia and elsewhere.¹⁰ National interest needs to be defined broadly enough to include those many cases where the US needs strong and willing allies whether in dealing

⁸ M. Goodwin, T. Raines and D. Cutts, *What Do Europeans Think About Muslim Immigration?*, Chatham House (London, 2017), 7 February, accessed at <https://www.chathamhouse.org/expert/comment/what-do-europeans-think-about-muslim-immigration> on 22 May 2017.

⁹ P. Neuding, 'See No Evil: A tale of two New Year's Eves', *Weekllystandard.com*, 30 January 2017, accessed at <http://www.weekllystandard.com/see-no-evil/article/2006403> on 22 May 2017.

¹⁰ *The Economist*, 'Many American allies are troubled, and threatened, by Donald Trump's foreign policy', 4 February 2017, accessed at <http://www.economist.com/news/briefing/21716081-alliances-and-institutions-half-century-making-seem-imperilled-many-american-allies-are> on 22 May 2017.



with the Syrian civil war or managing Chinese aggression. . Moreover, a strong and cooperative European Union, as opposed to a weak and divided EU, is of paramount value to the US, a point that should be understood by American conservatives.¹¹

The European People's Party should work more intensively on its communication and partnership with Republicans, conservatives and members of the Christian Right. The fact that many contacts with the Republican Party were neglected before the election and that few contacts existed to the Trump Team, is deplorable and should not be repeated. Conversely, this is also why contacts with Democrats should now be sustained, despite the sorry state of that party. In these contacts with conservative Republicans, awareness of culture war topics and respect for fundamentally different positions are of paramount importance.

Some constructive ideas

European leaders should therefore engage, i.e. catch up on contacts to Republicans in general, and conservative Republicans in particular, and do so with respect even if they fundamentally disagree. European leaders should demonstrate true willingness to do their homework, i.e. be conscious of, and open about, Europe's shortcomings instead of turning them into virtues (e.g. on military capabilities).

Europeans should strive to offer concrete solutions to transatlantic problems. This administration will appreciate ideas and not rule out cooperation as long as the mutual benefits of a given policy are clear. Here are some examples:

- **NATO:** Visibly increase military spending, but even more importantly, improve pooling and sharing among European forces within NATO. Accelerate NATO reform, with more concrete commitments to the South. However, one should keep in mind Turkey's nuisance value in blocking NATO projects in the Middle East.
- **Russia:** Europeans and Americans need to stay close on managing sanctions and other matters related to Russia. Trump is no longer en-

¹¹ R. Freudenstein and E. Ottolenghi, 'Conservatives must not forget EU is an irreplaceable asset for US', *The Hill*, 4 March 2017, accessed at <http://thehill.com/blogs/pundits-blog/international/326961-conservatives-must-not-forget-eu-is-an-irreplaceable-asset> on 22 May 2017.



thrilled with Putin; hence, European leaders need to exploit the rapid end of this Administration's originally planned 'reset'. But that also means that Europe has to have a united position towards Russia.

- **Syria:** Trump was sincerely shocked by Assad's gas attack, and he launched the counter-strike despite opposition from the 'America First' crowd in his Administration. He will certainly be open to concrete ideas that address the humanitarian issues in the civil war. Joint military and civilian operations to establish safe zones for refugees from the killing fields in Syria, (also Yemen and Libya), difficult as they may be, will be a good start. Joint initiatives to save Christians and other religious minorities also come to mind.

- **Turkey:** How can the US and Europe work together with a NATO ally that is increasingly moving away from the West? Trump will be open to a common transatlantic attempt to define red lines, but also incentives, vis-à-vis Turkey.

- **China:** Managing an aggressive China that is also a major economic partner of both the US and EU is a major challenge. Trump is focused on North Korea and trade imbalances. European ideas on multilateral pressure on Chinese advances in the South China Sea will be welcome.

- **Brexit:** Trump has a known bias in favour of the UK in the Brexit process. But many corporate leaders keep repeating that a smooth and constructive Brexit would be good for American interests. Trump may like the idea of Brexit but he doesn't want American companies and investors to be hurt. Europeans would diffuse a lot of US concerns if they agreed to consult on those issues involved in Brexit that have direct implications for the US.

- **Trade:** While some of Trump's advisors may hold very simplistic views on the transatlantic trade balance, others believe that a trade war should definitely be avoided. This view is shared by the business community. Hence, in the footsteps of the moribund TTIP, and building on positions already agreed in that process, European leaders should propose a Transatlantic New Deal that takes into account people's fears about losing out to globalisation, and that more visibly strengthens the position of small and medium enterprises.



- **Intelligence:** First, in general, Europeans have to become more pragmatic on intelligence sharing and (especially in Germany's case) show more appreciation. Secondly, and more specifically: One of the things that could be damaged by Brexit is transatlantic intelligence cooperation. Europeans should have ideas in mind of what they want and what they will give in return.

- **European Defence Cooperation:** EU leaders should expect the President to applaud European efforts. But they ought to be careful not to promise what they can't deliver in the short run. Trump may still be looking for reasons to shift American power to Asia. Above all: the EU should work on its intervention capacity while military defence against conventional attack should remain a NATO matter. Of course, strengthening the European pillar within NATO will be welcome in Washington.

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